

UCW Limited

Level 1, 333 Kent St

Sydney NSW 2000

ACN: 108 962 152



UCW Limited

Notice of Meeting

Explanatory Statement | Proxy Form

15 January 2021

10:00 a.m. (Sydney time)

Address

K&L Gates

Level 31, 1 O'Connell Street, Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Venue and Voting Information

The general Meeting of Shareholders to which this Notice of Meeting relates will be held at 10:00 a.m. (Sydney time) on Friday, 15 January 2021 at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney New South Wales.

Your vote is important

The business of the Meeting affects your Shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received no later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Given capacity limitations to attend the meeting in person, Shareholders are encouraged to vote by proxy.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Meeting

Notice is hereby given that a general meeting of Shareholders of UCW Limited ACN 108 962 152 (**Company**) will be held at 10:00 a.m. (Sydney time) on Friday, 15 January 2021 at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on the matter to be considered at the Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 p.m. (Sydney time) on Wednesday, 13 January 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Resolution

ASX Listing Rule 7.1 - Approval of issue of new Shares

1. **Resolution 1** – ASX Listing Rule 7.1

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issuance by the Company of up to a maximum of 235,200,747 new Shares to RedHill Shareholders in consideration for their RedHill Shares and otherwise on the terms and subject to the conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) RedHill and by any person who will obtain a material benefit as a result of the Takeover Bid or the proposed issuance of new Shares the subject of Resolution 1 (except a benefit solely by reason of being a holder of ordinary securities in the Company or in RedHill; or
- (b) an Associate of any such person.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 15 December 2020

BY ORDER OF THE BOARD



Lyndon Catzel
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Meeting to be held at 10:00 a.m. (Sydney time) on Friday, 15 January 2021 at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution contained in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolution contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional adviser without delay.

Full details of the business to be considered at the Meeting (and in particular, the business pertaining to Resolution 1) are set out below.

Further details in relation to the Takeover Bid (defined below) are set out below and are included in the attached Bidder's Statement (also defined below).

Resolution 1

ASX Listing Rule 7.1

Resolution 1 – Approval under ASX Listing Rule 7.1

Background information

On 14 December 2020, the Company lodged its bidder's statement (**Bidder's Statement**) with ASIC in relation to the Company's takeover bid (**Takeover Bid**) for ASX-listed tertiary education group RedHill Education Limited ACN 119 952 493 (ASX: RDH) (**RedHill**). A copy of the Bidder's Statement is attached to this Explanatory Memorandum at Annexure B.

Under the Takeover Bid, which is being conducted in accordance with the takeover provisions in Chapter 6 of the Corporations Act, the Company has made an offer to acquire all of the issued share capital of RedHill (**RedHill Shares**) from eligible holders of RedHill Shares (**RedHill Shareholders**).

Under the Takeover Bid, the Company has offered RedHill Shareholders 4.5 new Shares for each RedHill Share held, which offer may potentially result in the Company issuing up to a maximum of approximately 235,200,747 new Shares to RedHill Shareholders on completion of the Takeover Bid (**Bid Consideration**).

The issuance of the Shares, the subject of Resolution 1 (ie. the issuance of the Bid Consideration) will not proceed unless the conditions in the Takeover Bid (as to which, please see section 9 of the Bidder's Statement) are satisfied (or waived) and the Company proceeds to issue the Bid Consideration to the RedHill Shareholders in consideration for their RedHill Shares.

As the total of number of new Shares that the Company will be required to issue to RedHill Shareholders under the Takeover Bid, assuming it proceeds to completion, exceeds 100% of the number of Shares the Company currently has on issue, the Company is unable to rely on Exception 6 in ASX Listing Rule 7.2 to the Bid Consideration¹.

¹ Ordinarily, Exception 6 in ASX Listing Rule 7.2 allows an ASX-listed company to issue more shares than its usual 15% ASX Listing Rule 7.1 placement "capacity" would allow if that issuance is made under a takeover bid conducted by an Australian ASX-listed company for another Australian ASX-listed company.

A table setting out the expected impact on the Company's equity capital structure of the issuance of the Shares the subject of Resolution 1 is set out below:

	On issue (as at the date of Notice of Meeting)	UCW Shares to be issued under Takeover Bid	On issue on completion of Takeover Bid
UCW Shares	117,514,448	235,200,747	352,715,195 ²
Other securities	6,000,000	Nil	6,000,000 ³

The above table assumes that the Company successfully completes the Takeover Bid and acquires 100% of RedHill's existing (ie. as at the date of this Notice of Meeting) issued share capital.

Information required by ASX Listing Rule 7.3

Broadly speaking, and subject to a limited number of exceptions (such as Exception 6 referred to above), ASX Listing Rule 7.1 limits the number of new securities that an ASX-listed company can issue without the approval of its ordinary shareholders over any 12-month period to 15% of the number of fully paid ordinary shares that it had on issue at the start of that period.

Since the number of Shares, the subject of Resolution 1 is more than the Company's ASX Listing Rule 7.1 placement capacity would allow, and because Exception 6 is not available to the Company in relation to the Takeover Bid, the Company is seeking Shareholder approval under ASX Listing Rule 7.1 to enable it to issue the Bid Consideration.

In connection with this approval, the following information is provided by the Company:

ASX Listing Rule	Required information
7.3.1	Assuming the issuance of the Bid Consideration under the Takeover Bid proceeds, the Company will issue the Bid Consideration to holders of RedHill Shares on the Record Date (as defined in the Bidder's Statement) who have a registered address in Australia. The Company will pay the Bid Consideration in cash (ie instead of Shares) to RedHill Shareholders who do not have a registered address in Australia, in accordance with the procedure set out in Section 8.11 of the Bidder's Statement.
7.3.2	Assuming that the Takeover Bid proceeds (ie the bid conditions set out in Section 9 of the Bidder's Statement are satisfied or waived), the Company will issue up to a maximum of 235,200,747 fully paid ordinary shares to RedHill Shareholders in consideration for their RedHill Shares.
7.3.3	N/A
7.3.4	Assuming that the Takeover Bid proceeds to completion, the Company expects to issue the Bid Consideration to RedHill Shareholders on or about 21 February 2021 (and in any event, will do so no later than 6 months after the date of the Meeting).

² Assuming vesting of UCW options and performance rights under change of control provisions, the amount of UCW Shares on issue on completion of the Offer, would be 357,915,195.

³ Assuming vesting of UCW options and performance rights under change of control provisions, the amount of UCW Other Securities on issue on completion of the Offer, would be 800,000.

7.3.5	Rather than issuing the Bid Consideration for cash consideration, the Company has offered and will issue, on successful completion of the Takeover Bid, 4.5 new Shares in consideration for each RedHill Share held by eligible RedHill Shareholders on the Record Date.
7.3.6	The Company is not raising any funds pursuant to the issuance of the new 235,200,747 Shares, the subject of Resolution 1, but rather is issuing the Bid Consideration as currency for the acquisition of RedHill Shares held by RedHill Shareholders.
7.3.7	N/A
7.3.8	<p>Further information in relation to RedHill</p> <p>As detailed above, on 14 December 2020, the Company announced its off-market takeover bid for ASX-listed RedHill.</p> <p>RedHill operates a portfolio of market-leading tertiary education businesses and currently delivers vocational and higher education courses to over 4,000 domestic and international students each year.</p> <p>During the 2020 financial year, RedHill:</p> <ul style="list-style-type: none"> • generated approximately \$64.6 million in revenue; • achieved an operating profit after tax of approximately \$0.9 million; • generated approximately \$9.3 million in net cash flow from operations; and • generated a net loss after tax of \$19.6 million (with \$20.5m of once off costs, including impairment). <p>RedHill currently has a significant cash balance of in excess of \$20 million after successfully completing a capital raising in July 2020.</p> <p>Further information in relation to RedHill's history, business and financial condition (including in particular the extent of RedHill's current and non-current liabilities) can be found in RedHill's continuous and periodic disclosures given to ASX (which can be found at www.asx.com.au) or by visiting RedHill's website at www.RedHilleducation.com.</p> <p>Further information in relation to the Takeover Bid</p> <p>Please also see the introductory explanatory notes to this Resolution for a description of the proposed transaction to which Resolution 1 relates and/or the Bidder's Statement (a copy of which is attached to this Explanatory Memorandum at Annexure B) for further information in relation to structure and potential impact on the Company of, and the strategic and commercial rationale underpinning, the Takeover Bid. In this regard, please note that:</p> <ul style="list-style-type: none"> • the Company believes that the acquisition of RedHill will result in a merged group which will be well positioned to take advantage of growth opportunities within the education sector; • the merged group will have a larger student recruitment network, which may lead to increased new student commencements. In addition, it will offer a broader range of courses than either company currently offers, which may lead to extended study durations (customer lifetime value) through bundling and cross-selling; and

	<ul style="list-style-type: none"> the merged group is aiming to generate cost savings and revenue opportunities by removal of cost duplications and, amongst other things, by offering a broader range of courses to a broader group of prospective students, respectively⁴. <p>On the assumption that the Company acquires 100% of RedHill's share capital pursuant to the Takeover Bid, the Company will issue a maximum of 235,200,747 new Shares to RedHill Shareholders. This issuance constitutes a 200% increase in the Company's current issued share capital and will result in existing Shareholders of the Company holding approximately 34%⁵ of the merged group's issued share capital.</p>
7.3.9	Please refer to the voting exclusion statement set out in the Notice of Meeting.
Other	ASX has confirmed to the Company that the Company does not require Shareholder approval under or in accordance with Chapter 11 of the ASX Listing Rules in order to conduct or complete the Takeover Bid.

For further information in relation to the Company, RedHill and/or the Takeover Bid (including in relation to the effect of the Takeover Bid on the Company), please see the Bidder's Statement (a copy of which is attached to this Explanatory Memorandum at Annexure B) or the Company's recent ASX announcements pertaining to the Takeover Bid which can be found at www.asx.com.au.

Directors' recommendation

The Board recommends that Shareholders vote for this Resolution.

Enquiries

Shareholders are asked to contact the Company Secretary on (02) 9112 4500 or 0414 907 384 should they have any queries in respect of the matters set out in these documents.

⁴ Please see Section 1.5 of the Bidder's Statement for a summary of the expected financial impact the acquisition of RedHill will have on the Company's financial position and performance.

⁵ This percentage is calculated on a fully diluted basis (ie. it assumes the vesting of the UCW performance rights referred to above in footnotes 2 and 3).

Glossary

ASIC means the Australian Securities and Investment Commission.

Associate has the meaning given in the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Chair means the person chairing the Meeting.

Company means UCW Limited ACN 108 962 152.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Meeting means a general meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by the Notice of Meeting.

Notice of Meeting means the notice of general meeting dated 15 December 2020.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are cast in favour of the resolution.

Proxy Form means the proxy form attached to the Notice of Meeting at Annexure A.

Resolutions means the resolution or resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Registry Services.

Annexures to Notice of Meeting & Explanatory Statement

Annexure	Document name
A	Proxy Form
B	Bidder's Statement

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **10.00am (SYDNEY TIME) on Wednesday, 13 January 2021**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)



BIDDER'S STATEMENT

ACCEPT

The Offer by

UCW Limited

ACN 108 962 152

to acquire all of your shares in

RedHill Education Limited

ACN 119 952 493

You will receive 4.5 UCW Shares for each of your RedHill Shares

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser as soon as possible.

Please call the Offer Information Line on 1300-EDU-ASX (toll-free within Australia or +61 2 9112 4500 from outside Australia), Monday to Friday between 8:30am and 5:00pm (Sydney time) if you require assistance.

FINANCIAL ADVISER



LEGAL ADVISER

K&L GATES

IMPORTANT INFORMATION

Important dates

Event	Date
Announcement Date	14 December 2020
Date of Bidder's Statement	14 December 2020
Offer opens (date of Offer)	■
Close of Offer	■

Bidder's Statement

This Bidder's Statement is given by UCW Limited (UCW) to RedHill Education Limited (RedHill) and to each of its shareholders in accordance with Part 6.5 of the Corporations Act. It includes an Offer dated 14 December 2020 to acquire all of your ordinary shares in RedHill.

This Bidder's Statement is dated 14 December 2020. It has been approved by a resolution passed by the UCW Directors on 14 December 2020.

ASIC and ASX

A copy of the Bidder's Statement was lodged with ASIC and ASX on 14 December 2020. Neither ASIC nor ASX (or either of their respective officers) take any responsibility for the contents of this Bidder's Statement.

Investment decisions

This is an important document. The information contained in this Bidder's Statement does not constitute financial product advice. This Bidder's Statement does not take into account the investment objectives, financial situation or particular needs of individual RedHill shareholders or any other person. Independent financial and taxation advice should be sought before making any decision in relation to the Offer.

Forward-looking information

This Bidder's Statement contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled" or "continue", their negative equivalent, or comparable terminology. Similarly, statements that describe UCW's objectives, plans, goals or expectations are or may be forward-looking statements.

Such statements involve known and unknown risks, uncertainties, assumptions and other important factors that may cause the actual results, performance or achievements of UCW to be materially different from the results, performance or achievements expressed, implied or projected by such statements.

Any forward-looking statements in this Bidder's Statement are made, and reflect views held, only as at the date of this Bidder's Statement. UCW and its officers and any persons named in this Bidder's Statement with their

consent or any person involved in the preparation of this Bidder's Statement, make no representation or warranty and give no assurance or guarantee that the occurrence of the events or the accuracy of achievement of results expressed or implied in any forward-looking statements (except to the extent required by law) will actually occur. You are cautioned not to rely on any forward-looking statement.

You should review carefully all of the information in this Bidder's Statement.

All subsequent written and oral forward-looking statements attributable to UCW or any person acting on its behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws, UCW does not give any undertaking to update or revise any such statements after the date of this Bidder's Statement, to reflect any change in expectations or any change in events, conditions or circumstances on which any such statement is based.

Offers outside Australia

RedHill's Shareholders whose address, as shown in RedHill's register of members, is a place outside Australia (Foreign Shareholders), will not be entitled to receive UCW Shares (unless Section 8.11 applies). Foreign Shareholders who accept the Offer will receive the cash proceeds of a nominee sale of their entitlement to UCW Shares as described in Section 8.11. UCW does not expect to register this Bidder's Statement in any jurisdiction outside of Australia. It is your responsibility to satisfy yourself that you are permitted to accept this Offer under any foreign law applicable to you.

Disclaimer as to RedHill information

The information on RedHill, RedHill's Shares and the RedHill Group contained in this Bidder's Statement has been prepared by UCW using publicly available information.

Information in this Bidder's Statement concerning RedHill's business has not been independently verified by UCW. Accordingly, UCW does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to RedHill's business may be included in the Target's Statement which RedHill must provide to its shareholders in response to this Bidder's Statement.

Privacy and personal information

UCW has collected your information from RedHill's register of shareholders for the purpose of making this Offer and, if accepted, dealing with your holding of RedHill Shares.



IMPORTANT INFORMATION

The Corporations Act requires the name and address of shareholders to be held in a public register.

Your information may be disclosed on a confidential basis to UCW's Related Bodies Corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered office of UCW is Level 1, 333 Kent Street Sydney NSW 2000.

Defined terms

Terms used in this Bidder's Statement are defined in the Glossary (see Section 13 of this Bidder's Statement). Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 13, words and phrases in the Bidder's Statement have the same meaning and interpretations as in the Corporations Act.

Further information

You should read this Bidder's Statement in its entirety before making a decision on whether to accept the Offer.

If you are in any doubt about how to deal with this Bidder's Statement, you should consult your broker or your legal, financial or other professional adviser.

Should you have any questions about this Offer or how to accept it, please contact Lyndon Catzel, Chief Financial Officer and Company Secretary of UCW on +61 414 907 384 or call 1300-EDU-ASX (toll-free within Australia).

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CHAIRMAN'S LETTER

Dear RedHill Shareholder

On behalf of the Directors of UCW, I am pleased to present to you this Bidder's Statement which details UCW's offer (Offer) to acquire all of your shares in RedHill.

Based on closing prices immediately prior to the announcement of the Offer you will receive 4.5 shares in UCW for every 1 RedHill share you hold, which implies a value of \$0.79 for each RedHill share.

RedHill's two largest institutional shareholders have entered into pre-bid acceptance agreements for 19.9%, in aggregate, of RedHill's shares. We view this as a strong endorsement of the Offer and its potential to create long-term shareholder value.

KEY REASONS TO ACCEPT THE OFFER

1. The implied offer value represents a premium of:
 - 14.5% premium to RedHill's 30 day VWAP;
 - 31.3% premium to RedHill's capital raise price completed in July 2020; and
 - 2.9% premium to RedHill's last closing price.
2. The Offer provides RedHill shareholders with majority ownership (66%) of the Combined Group.
3. Benefit from cost and revenue synergies not available to either entity on a stand-alone basis.
4. Potential to obtain scrip-for-scrip Capital Gains Tax rollover relief.

Strong strategic rationale for the Offer

The Offer represents a transformational opportunity to bring together two high-quality and complementary ASX-listed tertiary education groups.

In the short-term, the combination aims to preserve shareholder value for both RedHill and UCW shareholders, through providing access to cost-savings not available to either entity on a stand-alone basis. The scale benefits should allow the Combined Group to take advantage of the tailwinds in the domestic student market, and to benefit from the recovery of the international student market, once the Australian international border re-opens and market conditions stabilise.

With a larger and more diversified revenue and earnings base; strengthened balance sheet; broader course offering, wider student recruitment network, increased target market and more diversified student population; a national campus presence; a shareholder-aligned board and management team; and increased scale and market relevance, the Combined Group should be well positioned to take advantage of revenue synergies and to leverage what I see as a compelling opportunity to create a truly leading Australian listed tertiary education group.

The Australian education sector is significant, growing and has experienced a structural shift towards private providers, which has benefitted both RedHill and UCW. Almost 6 million students studied in the vocational and higher education sectors in 2019, generating sector revenue of \$9.7b¹ and \$34.8b², respectively. Australia commands a leading position in the international student market, being the 3rd most popular study destination globally with reputation and quality of teaching being the top factors cited for students deciding to study in Australia. International education is Australia's largest service export generating revenue of approximately \$37.5b³. We envision the Combined Group actively participating in the ongoing growth of the sector, through organic growth initiatives and value-enhancing acquisitions.

¹ IBISWorld Technical and Vocational Education and Training in Australia April 2020.

² IBISWorld University and Other Higher Education in Australia March 2020.

³ Australian Government, Department of Education Skills and Employment (2020 Research Snapshot).

CHAIRMAN'S LETTER

While currently smaller in market capitalisation, noting the gap has narrowed considerably over the last 12 months, UCW recorded a stronger FY20 financial performance than RedHill, with revenue growth of 16% to \$25 million and net profit before impairment of \$1.6 million⁴, compared to RedHill's \$0.9 million⁵ net profit before impairment.

The businesses share a common philosophy and are both positioned as high-quality education providers. Maintaining a core focus on student satisfaction and outcomes is important to the long-term success of an education business, a view I believe is shared by the boards and management of RedHill and UCW.

UCW has taken a pragmatic approach to this transaction. The exchange ratio provides RedHill shareholders with an effective premium of 14.5% to the 30 day VWAP, while also delivering RedHill shareholders 66% of the Combined Group. The transaction is not about UCW commanding control.

To this end, subject to the transaction completing, David Buckingham has agreed to act as the Independent Non-Executive Chair for the Combined Group. David's roles as Chief Executive Officer and Chief Financial Officer at formerly ASX-listed Navitas Limited and iiNet Limited, will stand us in good stead as we embark on building the Combined Group into the leading listed tertiary education group in Australia. I intend to remain on the board as a Non-Executive Director, and we intend to invite Stephen Heath from RedHill to join the UCW Board as a Non-Executive Director, providing continuity in governance for the Combined Group.

Both businesses have capable and experienced management and staff, and I am confident that together they will become a formidable team. In this regard, we intend to invite RedHill's current Chief Executive Officer, Glenn Elith, to join the Combined Group's executive management team.

As noted, RedHill's two largest institutional shareholders have entered into pre-bid acceptance agreements for 19.9%, in aggregate, of RedHill's shares and I trust that you too will see the many benefits that this transaction will deliver.

Conditions and Risks

The Offer is subject to a number of conditions that are set out in the Bidder's Statement, including that UCW receives at least 90% ownership in RedHill. At the date of this Bidder's Statement, UCW currently does not own any shares in RedHill, but has a relevant interest of 19.9%, as a result of the pre-bid acceptance agreements referred to above.

Accepting the Offer and becoming a shareholder in UCW is not without risk, although the risks are similar to the risks from holding RedHill Shares. These risks include operational risk, regulatory risk, market risk, key personnel risk, and financial risk. RedHill shareholders are presently exposed to many of these risks through their investment in RedHill.

How to accept

To accept the Offer, please follow the instructions in Section 8.6 of this Bidder's Statement. The Offer is open for acceptance until 5:00 pm (Sydney time) on ● 2021, unless extended or withdrawn in accordance with the requirements of the Corporations Act.

More information

It is important that you read the information contained in this Bidder's Statement ahead of deciding how to respond to the Offer. You may wish to consult with a qualified investment adviser for assistance.

For the reasons outline above, and detailed in the Bidder's Statement, I strongly encourage you to accept this offer.

⁴ UCW FY20 NPAT, adjusted for impairment of 24.57% investment in Gradability Pty Ltd to \$nil (\$6.1m).

⁵ RedHill FY20 NPAT, adjusted for impairment: goodwill (\$6.1m), right-of-use assets (\$8.2m), copyright intangibles (\$0.2m), property, plant and equipment (\$2.7m); onerous contract associated with surplus campus space after tax (\$0.5m); and write-off of deferred taxes (\$2.8m).



CHAIRMAN'S LETTER

On behalf of the UCW Board, we look forward to welcoming you as an UCW Shareholder on our journey towards becoming the leading listed tertiary education group in Australia.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Gary Burg', written over a faint, circular watermark or background.

Gary Burg

Chair

REASONS TO ACCEPT THE OFFER

1. REASONS TO ACCEPT THE OFFER

1.1 Transformational opportunity to bring together two high-quality complementary education businesses

Combining UCW and RedHill is a transformational opportunity to bring together two high-quality complementary education businesses. In so doing, it will create a larger, stronger group with a broader offering and a wider reach.

There are meaningful cost and revenue synergies, not available to either entity on a stand-alone basis, which will both preserve value and position the Combined Group to take advantage of the tailwinds in the domestic education market and participate in the expected recovery of the international student market.

The Combined Group will be well positioned to build on its vision of becoming the leading listed tertiary education group in Australia through a combination of organic growth and corporate activity.

The Combined Group will have a broader range of complementary offers, and courses in attractive fields of study across the tertiary student lifecycle: student recruitment, English Language Intensive Courses for Overseas Students (ELICOS), Vocational Education and Training (VET) and Higher Education (HE). Students will have access to enhanced study pathways while remaining within the Combined Group.

Both UCW and RedHill have targeted sectors with strong underlying growth thematics, underpinned by employment demand; UCW on Health and Community Services and RedHill on Technology, Design and Management. Significant opportunities exist for further product development and acquisitive growth within these fields of study, as well as within other verticals.

The Combined Group's portfolio of brands will include Australian Learning Group, 4Life College, Australian College of Sport and Fitness, Ikon Institute of Australia, Go Study, Greenwich English and Greenwich Management Colleges, International School of Colour & Design, The Left Bank, Academy of Information Technology and Coder Academy.

The Combined Group will have a national presence across 15 campus locations located in 5 major Australian cities in Sydney (7 campuses), Melbourne (3 campuses), Brisbane (2 campuses), Perth (2 campuses) and Adelaide (1 campus). There exists opportunity to co-locate and rationalise the campus footprint, whilst also expanding RedHill's offer to locations where UCW already has a presence.

UCW and RedHill both have diversified international student populations and the combination further reduces reliance on any individual source country.

The combination of UCW and RedHill results in a larger and wider student recruitment network. Through its broader course offering and enhanced study pathways, the Combined Group can better leverage this network, including through bundling and cross-selling within and across brands and the student lifecycle. This should enable retention of students within the Combined Group and extended average study duration (customer lifetime value).



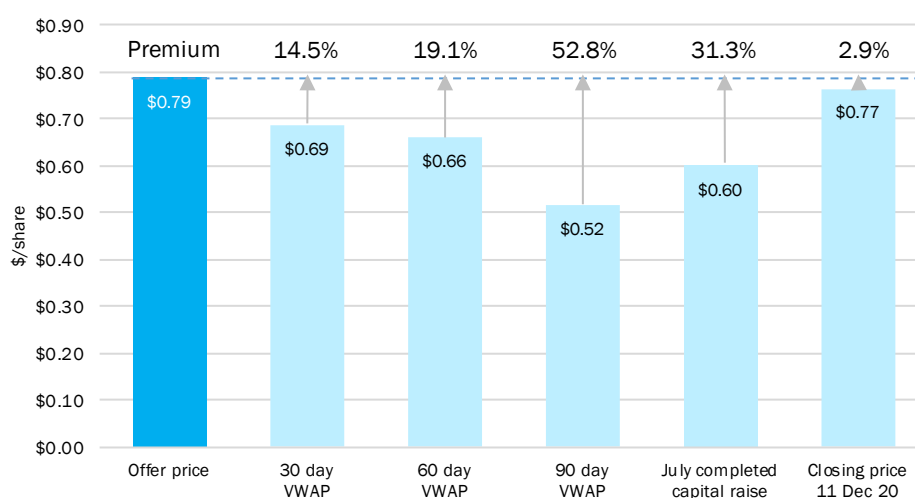
REASONS TO ACCEPT THE OFFER

1.2 Receive a premium for your RedHill Shares and majority ownership of the Combined Group

The Offer comprises a scrip-for-scrip offer to acquire each of your ordinary shares in RedHill in exchange for 4.5 fully paid ordinary shares in UCW.

The Offer implies a value of \$0.79⁶ per RedHill Share representing:

- 14.5% premium to RedHill's 30 day VWAP⁷;
- 31.3% premium to RedHill's most recent capital raise completed in July 2020⁸; and
- 2.9% premium to RedHill's last closing price⁹.



RedHill shareholders will own 66% of the Combined Group based on the Offer.

1.3 Enhanced exposure to the large and evolving education sector through a growth-oriented operator

The Offer provides an opportunity for both RedHill and UCW shareholders to continue to participate in the ongoing growth and consolidation opportunities that exist within the Australian education sector, through an entity with increased scale.

UCW's vision for the Combined Group is to become the leading listed tertiary education group in Australia. UCW's strategy is based on four key pillars: ongoing product development; the pursuit of operational excellence; a commitment to quality; and growth through consolidation.

UCW has a successful track-record in executing acquisitions, having completed four transactions in the past five years, and has identified a number of further strategic acquisition opportunities which could be pursued over the medium term.

⁶ Based on the value of each UCW share of \$0.175, being the closing price on 11 December 2020, the last trading day prior to the date of this Bidder's Statement.

⁷ 30 day VWAP of \$0.688 per share calculated for the period up to and including 11 December 2020, the last trading day prior to the date of this Bidder's Statement. VWAP is calculated based on the cumulative value traded on the ASX divided by cumulative volume traded on the ASX.

⁸ Offer premium relative to the RedHill recent capital raise price of \$0.60, completed in July 2020.

⁹ Based on the value each RedHill share of \$0.765, being the closing price on 11 December 2020, the last trading day prior to the date of this Bidder's Statement.

REASONS TO ACCEPT THE OFFER

1.4 Share in immediate and longer term cost and revenue synergies

The combination will provide access to immediate and longer term cost and revenue synergies to the benefit of both RedHill and UCW shareholders.

UCW's analysis and review of publicly available information on RedHill has led it to believe that it could target aggregate pre-tax cost synergies of approximately A\$3 million over the next 3 years.

Cost synergy categories to be targeted include:

- Corporate costs: removal of cost duplication such as board fees, head office expenses, listing costs and audit fees;
- Selling, general and administration: removal of cost duplication such as professional and consulting fees, administration costs, general business costs and sales and marketing expenditure;
- Employee expenses: review of organisational structure with potential opportunity to integrate certain operational functions; and
- Property costs: improved utilisation through potential co-location, improved lease terms and exiting of surplus property.

The quantum and timing of the potential cost synergies is currently unknown and will depend on the outcome of an operational review of RedHill, following successful completion of the Offer. At this stage, UCW does not have sufficient information to develop a more detailed plan to deliver cost synergies and has not discussed its analysis of potential synergies with RedHill management.

In addition to cost synergies, UCW expects to derive meaningful revenue synergies over time including through:

- Better leveraging the Combined Group's wider student recruitment network through its broader course offering;
- Extending average study duration (customer lifetime value) through bundling and cross-selling within and across brands and the student lifecycle within the Combined Group;
- Expediting product development through shared knowledge and resources;
- Building greater market awareness; and
- Expanding RedHill's course offer into UCW's broader national campus footprint, including in Adelaide, Brisbane and Perth.

1.5 Greater scale, balance sheet strength and market relevance

The Combined Group will have a larger and more diversified revenue and earnings base and with \$26m¹⁰ of net cash, should be well positioned to withstand the current trading conditions and to pursue further growth opportunities.

On a pro-forma FY20 pre-synergies basis, the Combined Group will have:

- Revenue of \$89.7m;

¹⁰ Based on UCW's cash of \$8.7m and \$4.2m debt (excluding lease liabilities) as at 30 September 2020 per UCW Market Update announcement on 2 November 2020 and the midpoint of RedHill's expected cash balance of \$21m to \$22m at 31 December 2020 as per 2020 AGM on 19 November 2020 and \$nil debt (excluding lease liabilities) per FY20 Annual Report.



REASONS TO ACCEPT THE OFFER

- EBITDA of \$17.1m¹¹;
- EBIT of \$6.6m¹²; and
- NPAT of \$2.4m¹³.

The Combined Group's increased scale, diversification and financial strength is anticipated to translate to increased market relevance, liquidity and access to capital markets, all of which will be of direct benefit in the implementation of its growth strategy and achievement of its vision.

1.6 Experienced and shareholder-aligned leadership team

The Combined Group's board and management team have a successful track record in the education sector across multiple listed and unlisted education businesses, including UCW.

They will together hold a 16.9%¹⁴ interest in the Combined Group (compared to RedHill's current board and management who hold a 1.5%¹⁵ interest in RedHill), thereby reinforcing strong alignment with shareholders.

UCW's board and management have delivered strong enrolment growth and operating performance, and execution of four acquisitions over the past five years.

There exists significant opportunity for long-term shareholder value creation through ongoing participation in the consolidation of the private tertiary education market, coupled with continued organic growth.

1.7 RedHill Shareholders expected to be eligible for Capital Gains Tax rollover relief

If, as the result of the Offer, UCW becomes the holder of 80% or more of RedHill Shares on issue, Australian-resident RedHill Shareholders may be entitled to scrip-for-scrip CGT rollover relief in respect of the consideration referable to UCW Shares. Such roll-over relief, if available, allows you to disregard any capital gain that would otherwise arise for Australian income tax purposes in respect of the disposal of your RedHill Shares under the Offer. See section 7.2 for further information in relation to CGT considerations.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, RedHill Shareholders should seek independent taxation advice regarding their particular circumstances.

¹¹ UCW FY20 EBITDA, adjusted for impairment of 24.57% investment in Gradability Pty Ltd to \$nil (\$6.1m), gain on acquisition (\$0.1m), equity accounted share of results (\$12k), due diligence and transaction costs (\$82k) and RedHill FY20 EBITDA, adjusted for impairment: goodwill (\$6.1m), right-of-use assets (\$8.2m), copyright intangibles (\$0.2m), property, plant and equipment (\$2.7m); and onerous contract associated with surplus campus space (\$0.7m).

¹² UCW FY20 EBIT, adjusted for impairment of 24.57% investment in Gradability Pty Ltd to \$nil (\$6.1m), gain on acquisition (\$0.1m), equity accounted share of results (\$12k), due diligence and transaction costs (\$82k) and RedHill FY20 EBIT, adjusted for impairment: goodwill (\$6.1m), right-of-use assets (\$8.2m), copyright intangibles (\$0.2m), property, plant and equipment (\$2.7m); and onerous contract associated with surplus campus space (\$0.7m).

¹³ UCW FY20 NPAT, adjusted for impairment of 24.57% investment in Gradability Pty Ltd to \$nil (\$6.1m) and RedHill FY20 NPAT, adjusted for impairment: goodwill (\$6.1m), right-of-use assets (\$8.2m), copyright intangibles (\$0.2m), property, plant and equipment (\$2.7m); onerous contract associated with surplus campus space after tax (\$0.5m); and write-off of deferred taxes (\$2.8m).

¹⁴ Based on fully diluted shares outstanding including performance rights of both companies and options associated with RedHill and based on an exchange ratio of 4.5 UCW Shares for every 1 RedHill Share.

¹⁵ Based on ordinary shares outstanding.

QUESTIONS AND ANSWERS

2. QUESTIONS AND ANSWERS

This Section 2 answers some basic questions that you may have about the Offer. The information is a summary only which you should read in conjunction with the entire Bidder's Statement before deciding whether to accept the Offer. It is not intended to address all relevant issues for RedHill Shareholders.

Questions	Answers
Questions about the Offer	
What is the Bidder's Statement?	The Bidder's Statement was prepared by UCW for distribution to RedHill Shareholders. It sets out the terms of the Offer and information relevant to the Offer and the Offer Consideration you will receive. This Bidder's Statement is an important document. If you are in any doubt as to how to deal with this document, you should consult your legal, investment or other professional adviser as soon as possible.
What is the Offer?	UCW is offering to buy all of your RedHill Shares by way of an off-market takeover bid. The Offer Consideration is 4.5 new UCW Shares for each RedHill Share held by you.
Who is UCW?	UCW is an Australian registered company that owns and operates tertiary education businesses. For further information on UCW refer to Section 4.
What are the consequences if I accept the Offer?	Once you have accepted the Offer you will be unable to withdraw your acceptance and the Takeover Contract will be binding on you, except in certain circumstances. Further information on the effects of acceptance of the Offer is outlined in Section 8.9.
Questions about the terms and conditions of the Offer	
How do I accept the Offer?	Details of how to accept the Offer are set out in Section 8.6 of this Bidder's Statement. You may wish to seek independent financial and taxation advice from your professional adviser in relation to the action that you should take in relation to the Offer.
What choices do I have as a RedHill Shareholder?	As a RedHill Shareholder, you can: <ul style="list-style-type: none"> ▪ Accept the Offer; ▪ Sell your RedHill Shares to a third party (unless you have previously accepted the Offer for your RedHill Shares); or ▪ Do nothing. When deciding what to do, you should carefully consider the information set out in this Bidder's Statement.
Can I accept the Offer for part of my shareholding?	No. You cannot accept the Offer for part of your holding. You may only accept the Offer for all of your RedHill Shares.
Can I withdraw my acceptance?	No. Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, UCW varies the Offer in a way that postpones for more than one month, the time by which UCW must satisfy its obligations under the Offer (for example, if UCW extends the Offer for more than one month while the Offer remains conditional) ¹⁶ .

¹⁶ See section 650E of the Corporations Act as to when acceptance may be withdrawn.



QUESTIONS AND ANSWERS

Questions	Answers
Questions about the terms and conditions of the Offer	
What happens if I don't accept the Offer?	If you do not accept the Offer your shareholding will remain unchanged. However, if UCW acquires a Relevant Interest in at least 90% of RedHill's Shares and the other Conditions of the Offer are satisfied or waived, UCW intends to proceed to compulsorily acquire your RedHill Shares. If this occurs, you will receive your UCW Shares at the conclusion of this process. You will receive the Offer Consideration sooner if you accept the Offer.
How long is the Offer open?	The Offer opens on 12 2020. Unless the Offer Period is extended or the Offer is withdrawn in accordance with the Corporations Act, the Offer will remain open for acceptance until 5pm (Sydney time) on 12 2021.
Can UCW extend the Offer Period?	Yes. The Offer Period can be extended at UCW's election or otherwise in accordance with the Corporations Act. UCW will give written notice of any extension of the Offer Period in accordance with the Corporations Act.
Can I sell my RedHill Shares prior to the closing date of the Offer?	Yes. You can sell your RedHill Shares at any time before the end of the Offer Period. Any person who, during the Offer Period, is able to give good title to a parcel of RedHill Shares in accordance with section 653B of the Corporations Act, may accept an offer as if an offer on terms identical to the Offer had been made to that person in relation to those RedHill Shares.
If I accept the Offer, when can I expect to receive my new UCW Shares?	If you accept the Offer, you will receive the Offer Consideration (being UCW Shares) on the earlier of: <ul style="list-style-type: none"> One month after the later of (i) the date you accept the Offer and (ii) the date all the Conditions to the Offer have been waived or fulfilled; and 21 days after the end of the Offer Period, provided that the Offer has become unconditional. However, there are certain exceptions to the above timetable. See Section 8.10 for further information.
Will I be required to pay brokerage or stamp duty if I accept the Offer?	RedHill Shareholders who are residents in Australia will not incur any brokerage or stamp duty in Australia on the disposal of their RedHill Shares pursuant to the Offer.
What are the Conditions of the Offer?	The Offer is conditional on the events specified in Section 8 of this Bidder's Statement. The Conditions to the Offer include: <ul style="list-style-type: none"> A minimum acceptance condition of 90%; UCW Shareholder approval; No material acquisitions, disposals or new commitments by RedHill; No superior bid is made in respect of RedHill Shares; and No material adverse regulatory action in relation to either corporate or educational matters.
What happens if the Conditions are not waived or satisfied?	If the Conditions of the Offer are not satisfied or waived before the Offer closes (e.g. the 90% Minimum Acceptance Condition is not achieved because of insufficient acceptances), the Offer will lapse. UCW will notify RedHill Shareholders if the Conditions of the Offer are satisfied or waived during the Offer Period.
General questions	
What other information is available?	If you have any queries in relation to the Offer, you can call Lyndon Catzel on +61 414 907 384 or the Offer Information Line on 1300-EDU-ASX (toll-free within Australia or +61 2 9112 4500 from outside Australia) Monday to Friday between 8:30am and 5:00pm (Sydney time).

SUMMARY OF THE OFFER

3. SUMMARY OF THE OFFER

This summary provides an overview of the Offer and is qualified by the detailed information contained in the rest of this document. You should read this document in full before deciding how to deal with your RedHill Shares.

3.1 The Offer to RedHill Shareholders

UCW is making an off-market Takeover Bid for all RedHill Shares and is offering to buy all of your shares in RedHill on the terms set out in Section 8 of this Bidder's Statement.

3.2 What will you receive if you accept the Offer?

RedHill Shareholders will receive 4.5 UCW Shares for every RedHill Share held. For example, if you own 10,000 RedHill Shares, you will receive 45,000 UCW Shares.

3.3 When will you receive the Offer Consideration?

You will receive the Offer Consideration on or before the earlier of:

- a. One month after the later of:
 - i. the date you accept the Offer; and
 - ii. the date all of the Conditions to the Offer have been waived or satisfied; and
- b. 21 days after the end of the Offer Period.

Full details of when consideration will be provided are set out in Section 8.10 of this Bidder's Statement.

3.4 What is the Offer Period?

The Offer opens on ● December 2020 and will remain open for acceptance until 5pm (Sydney time) on ● unless the Offer Period is extended or the Offer is withdrawn in accordance with the Corporations Act.

UCW expressly reserves its rights under section 650C of the Corporations Act to extend the period during which this Offer remains open for acceptance or otherwise to vary this Offer in accordance with the Corporations Act.

3.5 What conditions apply to the Offer?

The Offer is conditional on the events set out in Section 9 of this Bidder's Statement.

3.6 Brokerage and stamp duty

RedHill Shareholders who are residents in Australia will not incur any brokerage or stamp duty in Australia on the disposal of their RedHill Shares pursuant to the Offer.

3.7 Who does the Offer extend to?

The Offer is made (and will be sent) to each holder of RedHill Shares as at 9:00am (Sydney time) on the Record Date. The Offer is also made to any person who becomes entitled to accept an Offer during the Offer Period or otherwise under section 653B of the Corporations Act.

3.8 How do you accept the Offer?

You can accept this Offer by completing, signing and sending the enclosed Acceptance Form in the pre-paid envelope to the address shown on the form.

Your acceptance must be received before the Offer closes in order for it to be effective. See Section 8.6 for more details.



SUMMARY OF THE OFFER

3.9 Effect of not accepting the Offer

If you do not accept the Offer, you will remain a RedHill Shareholder. However, UCW will compulsorily acquire any RedHill it does not own after the Offer Period closes if it becomes entitled to do so.

3.10 What you should do next?

You should read and carefully consider the information included in this Bidder's Statement to help you make an informed decision. There is a "Questions and Answers" summary included in Section 2 to answer questions you may have. If you have any doubts as to what action you should take, please contact your legal, investment or other professional adviser.

If you decide to accept the Offer in respect of the RedHill Shares that you hold, you must complete and sign the relevant Acceptance Form in accordance with the instructions and return it, together with all other documents required by the instructions, so that they are received at the address shown on the form before the end of the Offer Period.

If you decide to not accept the Offer in respect of the RedHill Shares that you hold, no action is required.

3.11 Further information about the Offer

If you have any questions relating to this Bidder's Statement or the procedure for accepting the Offer, please contact Lyndon Catzel, Chief Financial Officer and Company Secretary of UCW on + 61 414 907 384 or the Offer Information Line on 1300-EDU-ASX (toll-free within Australia or +61 2 9112 4500 from outside Australia) Monday to Friday between 8:30am and 5:00pm (Sydney time) or consult your legal, investment or other professional adviser.

PROFILE OF UCW

4. PROFILE OF UCW

4.1 Overview

UCW is an ASX-listed Australian based company that owns and operates tertiary education businesses, with a current focus on Health and Community Services fields of study.

UCW's aim is to become the leading listed tertiary education group. Its strategy is to foster and support growth in its existing businesses, through initiatives such as course, campus and delivery-mode expansion, while concurrently pursuing complementary acquisition opportunities.

UCW's board includes Directors with extensive experience in for-profit education.

UCW currently has two wholly owned subsidiaries:

- Australian Learning Group Pty Limited (ALG) - acquired 24 March 2016; and
- Proteus Technologies Pty Ltd trading as Ikon Institute of Australia (Ikon) - acquired 4 July 2018.

ALG is a vocational education and training (VET) provider that is primarily focused on the international student market. The business operates from campuses in Sydney, Melbourne, Brisbane and Perth.

Ikon is both a VET and higher education (HE) provider, with a primarily focus on higher education and the domestic student market. Ikon operates nationally, including in Adelaide where its head office is based.

In addition to its wholly-owned subsidiaries, and outside of its current Health and Community Services focus, UCW owns 24.57% of ordinary shares in Gradability Pty Ltd (Gradability) (acquired 11 July 2017), one of the leading providers of the Professional Year Program (PYP). The PYP is a work-readiness program for international student graduates in information technology, accounting and engineering, that includes an internship in an Australian workplace.

Further information on UCW's operations is provided below.

4.2 UCW operations

a. Australian Learning Group Pty Limited (ALG)

ALG offers vocational courses, primarily to international students, delivered from campuses in Sydney, Melbourne, Brisbane and Perth. It operates a central administration function in Sydney. As at 30 June 2020, ALG had 2,149 international students studying at its various campus locations.

ALG's international students are recruited primarily through education agents, both onshore in Australia and offshore in source countries. ALG has over 300 active education agents and students currently studying from more than 75 source countries.

ALG currently offers 16 qualifications, all of which are in Health and Community Services related fields of study:

- Ageing Support (Certificate III and Certificate IV)
- Community Services (Diploma)
- Counselling (Diploma)
- Dance Teaching (Certificate III and Certificate IV)*
- Early Childhood Education and Care (Certificate III and Diploma)
- Fitness (Certificate III and Certificate IV)
- Mental Health (Diploma)
- Remedial Massage (Certificate IV and Diploma)
- Sport and Recreation Management (Diploma)
- Yoga Teaching (Certificate IV and Diploma)

*In teach-out



PROFILE OF UCW

All courses are structured to facilitate rolling intakes, to allow students to commence any course (subject to satisfaction of entry requirements) in any term, with a simultaneous timetable offered in each state. ALG operates four 10-week academic terms per annum.

ALG also has a small self-paced, distance-education offering. Currently only its Fitness courses are offered in this delivery mode. Students are sourced via direct marketing, primarily online.

ALG recorded continued strong growth in international student enrolments for the financial year ended 30 June 2020. Enrolments for the period, being the sum of enrolments in the four academic terms during the financial year, were 9,012, up 29.0% compared to the previous corresponding period (PCP). This growth was largely attributable to ALG's Community Services course offering, which represented 48.5% of FY20 enrolments, compared to 36.3% for the prior period.

ALG generated FY20 revenue of \$19.1m, an increase of 26.1% on PCP. International revenue increased 32.4% to \$18.0m (comprising 94.3% of total revenue), reflecting the 28.0% increase in student numbers, selective price increases, and a greater contribution from higher fee courses, partly offset by fee discounts and waivers in 4Q20, to assist students affected by the impact of COVID-19.

ALG reported EBITDA of \$5.3m (pre AASB 16: \$3.1m) for the year ended 30 June 2020, up 182% on PCP (pre AASB 16). Notwithstanding the strong results, margins and margin growth were dampened by a higher cost base associated with earlier organic growth initiatives, including the expansion of the Brisbane campus, an additional campus in the Sydney CBD and investments made in new academic, compliance and student services roles. These cost increases were partly offset in 4Q20 by government and other relief programs, rent relief, and the transition to online course delivery, associated with COVID-19 mitigation measures.

ALG continues to explore a number of additional course expansion initiatives and will continue to invest in compliance and its academic quality, alongside growth initiatives to scale-up the business.

b. Ikon Institute (Ikon)

Established in Adelaide in 2005, Ikon is both a higher education and vocational provider. It is an approved FEE-HELP provider, a government program enabling students to fund their tuition via a loan from the Australian government. Ikon is also registered to offer courses to international students.

Ikon's primary focus is delivering its higher education (HE) courses to domestic students. Its current HE courses include a Bachelor of Counselling and Psychotherapy and a Bachelor of Arts Therapy, each of which have a nested diploma and associate degree.

Ikon has a national presence with campuses in Sydney, Melbourne, Brisbane, Perth and Adelaide, where its head office is based.

PROFILE OF UCW

Ikon generated revenue of \$6.5m and EBITDA of \$2.0m (pre AASB 16: \$1.6m) for the reported period, with approximately 89% of its revenue derived from its higher education offering.

During the year, Ikon gained accreditation of a new degree program, a Bachelor of Early Childhood Education and nested diploma; its first new program accreditation since being acquired by UCW in 2018. Ikon intends to launch the program at the beginning of the 2021 academic year.

4.3 UCW capital structure

a. Issued capital summary

The issued share capital of UCW as at the date of this Bidder's Statement is:

Type of security	Currently on issue
Ordinary Shares	117,514,448
Options (including Performance Rights)	6,000,000
Total	123,514,448

In dollar terms, the issued capital of UCW as at 25 August 2020 amounted to \$25,132,480 (117,514,448 ordinary shares).

b. Recent issuance of Ordinary Shares

During the year ended 30 June 2020, UCW issued 6,693,199 of ordinary shares via a placement to an institutional shareholder. The institutional placement was undertaken under UCW's 7.1A placement capacity, at \$0.194227 per share, being the 20-day volume weighted average price of UCW shares up to and including 16 October 2019.

Type of security	Number	\$
Opening balance – 1 July 2019	110,821,249	23,842,009
Issued shares net of tax	6,693,199	1,300,000
Capital raising costs	-	(13,143)
Deferred tax credit recognised directly in equity	-	3,614
Total	117,514,448	25,132,480



PROFILE OF UCW

c. Recent issuance of Performance Rights

At its 2020 Annual General Meeting (AGM), UCW shareholders approved the issue of 2,350,000 Performance Rights to Adam Davis, Chief Executive Officer and Lyndon Catzel, Chief Financial Officer. The Performance Rights are subject to continuity of employment and share price performance vesting conditions.

	Number
Balance at 30 June 2020	3,650,000
Performance rights approved at AGM on 20 November 2020	2,350,000
Total	6,000,000

Details of the terms of the Options and Performance Rights are contained in UCW's FY20 Annual Report and its 2020 AGM Notice of Meeting.

4.4 Ownership of UCW

As at the date of this Bidder's Statement, the name of the substantial shareholders in UCW, the number of UCW Shares in which the substantial shareholder (and its Associates) have a relevant interest and the Voting Power of the substantial shareholder (and its Associates) as disclosed in notices of substantial holding and notices of change in substantial holding given to UCW up to that date, are set out in the table below.

Name	Number of shares	Voting power
Global Capital Holdings (Australia) Pty Ltd	32,608,791	27.75%
Viburnum Funds Pty Ltd	12,737,507	10.84%
ABD Holdings Pty Limited	8,000,000	6.81%
Microequities Asset Management Pty Limited	7,262,199	6.18%
Mr Matthew Crawford Reede	6,410,761	5.46%

4.5 Recent trading of UCW Shares

The last recorded sale price of UCW Shares on ASX on 11 December 2020 (being the last date of trading before the Announcement Date) was \$0.175.

In the four months before the Announcement Date:

- the highest recorded trading price of a UCW Share on ASX was \$0.180 per share. UCW Shares traded at this price on 12 November 2020 and 7 December 2020.
- the lowest recorded trading price of a UCW Share was \$0.105 per share on 18 September 2020.

PROFILE OF UCW

4.6 Dividend history

UCW has not declared or paid any dividends in the past and does not intend to declare or pay any dividends this financial year.

4.7 Rights attaching to UCW Shares

The UCW Shares to be issued under the Offer will be issued fully paid and will rank equally for dividends and rights with existing UCW Shares. Under section 140(1) of the Corporations Act, the constitution of UCW has effect as a contract between UCW and each member and between a member of UCW and each other member. Accordingly, if you accept UCW Shares as consideration you will become liable to comply with the constitution of UCW. As the UCW Shares issued as consideration under the Offer will be used credited as fully paid, no monetary liability attaches to them.

A summary of the rights and liabilities attaching to the UCW Shares being offered for issue under the Offer is detailed below.

a. Issue of further UCW Shares

The UCW Board may, subject to the Constitution, the Corporations Act and the ASX Listing Rules issue or grant options for, or otherwise dispose of, Shares in UCW on such terms as the board decides.

b. Preference Shares

Subject to the ASX Listing Rules and the Corporations Act, UCW may issue preference shares including preference shares which are, or at the option of UCW or a holder are, liable to be redeemed or convertible into Shares.

c. Classes of Shares

The procedure set out in the Constitution must be followed to vary any rights attaching to Shares (or any other class of shares). Under the Constitution, and subject to the Corporations Act, ASX Listing Rules and the terms of issue of a particular class of shares, the rights attaching to Shares (or any other class of shares) may be varied:

- i. with the consent in writing of the holders of at least 75% of the issued shares of that class; or
- ii. by special resolution passed at a separate general meeting of the holders of the shares of the class.

d. Transfer of Shares

Subject to the Constitution and to any restrictions attaching to a Shareholder's Shares (including because of the imposition of ASX-imposed escrow), Shares may be transferred by:

- i. a transfer effected in accordance with the ASX Settlement Operating Rules;
- ii. a written instrument of transfer in any form authorised by the Corporations Act; or
- iii. any other method of transfer permitted by the Corporations Act or ASX Listing Rules.

e. Refusing a transfer

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors may in their absolute discretion ask ASX Settlement to apply a holding lock to prevent a transfer under the ASX Settlement Operating Rules, or refuse to register a paper-based transfer, of a Share, where, amongst other things:

- i. UCW is served with a court order that restricts the relevant Shareholder's capacity to transfer the Shares or UCW has a lien on the Shares the subject of the transfer;
- ii. registration of the transfer may breach an applicable law and ASX has agreed in writing to the application of a holding lock or that UCW may refuse to register a transfer; or
- iii. the Shareholder has agreed in writing to the application of a holding lock or that UCW may refuse to register a paper-based transfer.



PROFILE OF UCW

f. Non-marketable parcels

In accordance with, and as permitted by the ASX Listing Rules, UCW may sell Shares that constitute less than a “marketable parcel” (as that term is defined in the ASX Listing Rules) by following the relevant sale of small holdings procedures set out in the Constitution.

g. Meetings of members

Every Shareholder is entitled to receive notice of, attend and vote at, general meetings of UCW and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

h. Voting at a general meeting

At a general meeting of UCW, every Shareholder present in person or by proxy, representative or attorney and entitled to vote is entitled to one vote on a show of hands and, on a poll, one vote for each Share held by the Shareholder (with adjusted voting rights for partly paid shares). If the votes on a proposed resolution are equal, the chairperson of the meeting has a casting vote in addition to any deliberative vote.

i. Directors - appointment and retirement

Under the Constitution, there must be at least 3 Directors, or such greater number not exceeding 9 as the Directors think fit, in office at all times. Directors are elected, re-elected or removed at general meetings of UCW.

No Director (excluding the Managing Director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected.

The board may also appoint any eligible person to be a Director, either to fill a casual vacancy on the board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of UCW following that eligible person’s appointment.

j. Directors - voting

Questions arising at a meeting of the board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting does not have a second or casting vote in addition to the chairperson’s deliberative vote. A written resolution is taken to have passed at a meeting of the Directors if the document containing the resolution is signed by all of the Directors entitled to vote on that resolution.

k. Directors - remuneration

Under the Constitution, the board may decide the remuneration to which each Director is entitled to be paid for his or her services as a Director provided the annual fees payable to Non-Executive Directors do not exceed in aggregate the maximum sum that is from time to time approved by Shareholders in a general meeting in accordance with the ASX Listing Rules.

Remuneration payable by UCW to the Managing Director (which Director’s remuneration does not reduce the maximum sum that is available to be paid to Non-Executive Directors) and any other executive Directors may be by way of salary, bonuses, or any other elements but must not include a commission on, or percentage of operating revenue.

Directors are entitled to be paid or reimbursed for all travelling and other expenses properly incurred by them in attending and returning from any meeting of the Directors, any meeting of any committee of the Directors, any general meeting of UCW or otherwise in connection with the business of UCW.

PROFILE OF UCW

If, with the approval of the Directors, any Director performs extra services or makes any special exertions for the benefit of UCW, the Directors may approve the payment to that Director of special and additional remuneration as the Directors think fit, having regard to the value to UCW of the extra services or special exertions.

l. Powers and duties of Directors

Subject to the Corporations Act and this Constitution, the Directors are responsible for managing the business of UCW and may exercise all powers of UCW which are not required to be exercised by UCW in a general meeting by the Corporations Act or this Constitution.

m. Dividends

Subject to the Corporations Act, the ASX Listing Rules, any special rights or restrictions attached to any shares, the Directors may resolve to pay any dividend they think appropriate and to fix the time for payment.

Every dividend must be paid equally on all fully paid Shares and proportionately on all partly paid Shares. The Directors may also resolve that dividends are to be paid out of a particular source or sources.

n. Winding up

If UCW is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Share or classes of shares, Shareholders will be entitled to share in any surplus property of UCW in proportion to the number of Shares held by them. If UCW is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders all or part of UCW's property and decide how the division is to be carried out as between Shareholders or different classes of shareholder.

o. Indemnity and insurance

UCW may indemnify each "officer" (as that term is defined in section 9 of the Corporations Act) of UCW on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by that person as an officer of UCW or of a related body corporate of UCW.

The Directors may also and to the full extent permitted by law, authorise UCW to enter into any documentary indemnity in favour of, or insurance policy for the benefit of, a person who is, or has been, an officer of UCW or of a related body corporate of UCW, which indemnity or insurance policy may be on such terms as the Directors approve.

4.8 Publicly available information and announcements by UCW

UCW is a disclosing entity for the purposes of section 1111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require UCW to:

- a. prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a Directors' statement and report and an audit or review report; and
- b. immediately notify ASX of any information concerning UCW of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in UCW, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged with ASIC in relation to UCW may be obtained from or inspected at an office of ASIC. Copies of documents lodged with ASX in relation to UCW may be obtained from the ASX's website (www.asx.com.au). In addition, you may request a copy of any such document by contacting UCW and we will provide you with a copy of that document free of charge.

UCW's financial statements for the year ended 30 June 2020 were given to the ASX on 25 August 2020.



PROFILE OF UCW

4.9 Directors of UCW

The current Directors of UCW as at the date of this Bidder's Statement are:

Name	Position	Qualifications, Experience & Special Responsibilities
Gary Burg	Non-Executive Chair	<p>Gary has been involved with the broader Global Capital Group since 1995 in South Africa and in Australia since 2001. In Australia, Gary has been involved in a number of businesses across a range of sectors including life insurance, financial services and education. Gary is currently a Director of ClearView Limited, Alinta Energy Limited and Global Capital Holdings (Australia) Pty Ltd, which is the investment manager of Global Capital Principal Investment business in Australia.</p> <p>He is a former Director of (and investor in) South African listed Capital Alliance Holdings Limited which owned Capital Alliance Life Limited and Capital Alliance Bank Limited. Gary is also a former Director and investor in Prefsure Life Limited and Insurance Line.</p>
Adam Davis	CEO and Managing Director	<p>Adam has extensive experience in the education sector, having founded and then acted as Chief Executive Officer and Managing Director of ASX-listed Tribeca Learning Limited (Tribeca). The company was acquired in 2006 by Kaplan, Inc., a division of NYSE-listed Graham Holdings Company (formerly The Washington Post Company), to form the foundation of its Australian operations.</p> <p>Under Adam's stewardship, Tribeca acquired and integrated numerous education businesses servicing the Australian financial services sector, consolidating a fragmented market and creating the leading national provider. Tribeca offered a broad range of accredited courses and continuing education programs and its customers included most of the major financial institutions in Australia. Adam holds a Bachelor of Applied Finance degree from Macquarie University.</p>
Peter Mobbs	Non-Executive Director	<p>Peter is Managing Director of Greyrock, a private investment company with a focus on education and technology. Prior to establishing Greyrock, Peter was an entrepreneur and executive within the private education industry, where he holds 15+ years' experience across higher education, vocational and corporate training sectors.</p> <p>Peter led the private equity-backed merger of his company, Ivy College, with the education arm of the Australian Institute of Management (AIM) – a 75 year old brand. Peter was Group CEO and is now a Director and shareholder of the merged group – Scentia.</p> <p>In previous roles, Peter was the Director of Operations, Career Education within Study Group – a global education provider – and held the role of Managing Director, Martin College, also a Study Group business.</p> <p>In earlier years, Peter established real estate education business, Agency Training Australia, which in 2006 was acquired by Kaplan Inc., a division of NYSE listed Graham Holdings Company (formerly The Washington Post Company).</p> <p>He holds degrees in commerce and law and is admitted to practise in the Supreme Court of NSW, is a member of YPO Sydney and is a graduate of the Australian Institute of Company Directors course.</p>
Jonathan Pager	Non-Executive Director	<p>Jonathan has over 25 years' experience as a management consultant and corporate adviser across a wide range of industries in Australia and overseas, and is currently Managing Director of Pager Partners Corporate Advisory. He has a Masters of Economics and qualified as a Chartered Accountant with Deloitte, where he commenced his career. He has restructured and listed a range of public companies and been a Director of publicly listed companies in the resources and industrial sectors.</p>

PROFILE OF UCW

Post successful completion of the Offer, the board of Directors of UCW is proposed to comprise:

- a. An independent Non-Executive Chair;
- b. One independent Non-Executive Director from the RedHill Board, subject to their agreement, after having been invited by UCW;
- c. Two Non-Executive Directors from the UCW Board; and
- d. UCW's existing CEO and Managing Director.

This board composition will remain in place until varied in accordance with UCW's Constitution, the ASX Listings Rules and the Corporations Act.

At the time of issuing the Bidder's Statement, these Directors are expected to be:

Name	Position	Qualifications, Experience & Special Responsibilities
David Buckingham	Independent Non-Executive Chair	<p>David Buckingham has over thirty years of experience as a corporate leader in education, telecommunications, media, technology and IT. David began his career at Pricewaterhouse Coopers in the UK and Australia. Most recently, David served as both Chief Executive Officer and Chief Financial Officer of Navitas Limited (ASX:NVT), a global education provider with over 120 colleges and campuses across 31 countries. Prior to Navitas, David worked for Telewest Global Inc. in London as the Group Treasurer and Director of Financial Planning, and then at Virginmedia Inc. as Finance Director of the Business Division. After that he joined iiNet (ASX:IIN) in Perth where he held the roles of Chief Financial Officer and Chief Executive Officer between 2008 and 2015. He holds a Bachelor of Technology (Hons) from the Loughborough University of Technology and is a qualified ACA Chartered Accountant in England & Wales and a member of the Australian Institute of Company Directors.</p> <p>He currently holds Non-Executive Director roles at three companies - hearing-health technology company Nuheara Limited (ASX:NUH), online learning education company OpenLearning Limited (ASX:OLL) and is also the new Non-Executive Chairman of Pentanet Pty Ltd. David also sits on the Digital Information & and Technology advisory committee of St John of God Health Care.</p>
Adam Davis	CEO and Managing Director of UCW	Please refer to 4.9
Gary Burg	Non-Executive Director of UCW	Please refer to 4.9
Peter Mobbs	Non-Executive Director of UCW	Please refer to 4.9
Stephen Heath	Non-Executive Director of UCW	<p>Stephen Heath is the Interim Non-Executive Chairman of RedHill.</p> <p>Stephen is a specialist in consumer goods brand management with over twenty-five years of retail, distribution and manufacturing experience.</p> <p>His executive career included holding the roles of Managing Director & CEO of Rebel Sport, Godfrey's & Fantastic Holdings with operational experience in Australia, New Zealand, and Asia.</p> <p>His current non-executive directorship roles include Temple & Webster (ASX:TPW) where he also holds the role of Chairman, Shiro Limited, where he is also Chairman, Glasshouse Fragrances and Total Tools. He is also a member of the Investment Committee of a prominent private family investment office advising and overseeing a portfolio of diversified consumer brands companies and property investments.</p>



INTENTIONS OF UCW

5. INTENTIONS OF UCW

UCW's aim is to become the leading ASX-listed tertiary education group. The combination of UCW and RedHill is a meaningful step on the path to achievement of this objective.

UCW's strategy is to foster and support growth in its existing businesses, through initiatives such as course, campus and delivery-mode expansion, while concurrently pursuing complementary acquisition opportunities.

Post completion of the transaction, UCW intends to conduct a review of RedHill's operations and strategy in order to identify opportunities to enhance the performance of the Combined Group.

5.1 Rationale & strategy

Combining UCW and RedHill is a transformational opportunity that will bring together two high-quality complementary education businesses. In so doing, it will create a larger, stronger group with a broader offering and a wider reach.

There are meaningful cost and revenue synergies, not available to either entity on a stand-alone basis, which will both preserve value and position the Combined Group to take advantage of the tailwinds in the domestic education market and to participate in the expected recovery of the international student market.

The Combined Group will be well positioned to build on its vision of becoming the leading listed tertiary education group in Australia through a combination of organic and corporate activity.

The Combined Group will have a broader range of complementary offers, and courses in attractive fields of study across the tertiary student lifecycle: student recruitment, English Language Intensive Courses for Overseas Students, Vocational Education and Training and Higher Education. Students will have access to enhanced study pathways while remaining within the Combined Group.

Both UCW and RedHill have targeted sectors with strong underlying growth thematics, underpinned by employment demand; UCW on Health and Community Services and RedHill on Technology, Design and Management. Significant opportunities exist for further product development and acquisitive growth within these fields of study, as well as within other verticals.

The Combined Group's portfolio of brands will include Australian Learning Group, 4Life College, Australian College of Sport and Fitness, Ikon Institute of Australia, Go Study, Greenwich English and Greenwich Management Colleges, International School of Colour & Design, The Left Bank, Academy of Information Technology and Coder Academy.

The Combined Group will have a national presence across 15 campus locations located in 5 major Australian cities in Sydney (7 campuses), Melbourne (3 campuses), Brisbane (2 campuses), Perth (2 campuses) and Adelaide (1 campus). There exists opportunity to co-locate and rationalise the campus footprint, whilst also expanding RedHill's offer to locations where UCW already has a presence.

UCW and RedHill both have diversified international student populations and the combination further reduces reliance on any individual source country.

The combination of UCW and RedHill results in a larger and wider student recruitment network. Through its broader course offering and enhanced study pathways, the Combined Group can better leverage this network, including through bundling and cross-selling within and across brands and the student lifecycle. This will enable retention of students within the Combined Group and extended average study duration (customer lifetime value).

5.2 Post-takeover intentions

UCW's present intentions with respect to the assets and activities of RedHill are based on facts and circumstances currently known to UCW, and the existing circumstances affecting RedHill. If additional material facts or circumstances are discovered or occur in relation to UCW or RedHill, the statements in this section may change.

INTENTIONS OF UCW

Final decisions will only be reached by UCW in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of such decisions at the relevant time. Accordingly, the statements set out in this section are statements of UCW's current intentions and may vary as new information becomes available or circumstances change. In particular, these intentions must be subject to the overriding obligation of the board of the Combined Group, as constituted from time to time, to act in the best interests of the Combined Group.

5.3 Intentions upon acquisition of 90% or more of RedHill

If UCW acquires a Relevant Interest in at least 90% of the RedHill Shares on issue at the end of the Offer Period and becomes entitled to compulsorily acquire any remaining RedHill Shares under the provisions of Part 6A.1 of the Corporations Act it intends to:

- a. exercise those rights to acquire all remaining RedHill Shares; and
- b. maintain RedHill as a wholly owned subsidiary.

5.4 Intentions upon gaining control but acquiring less than 90% of RedHill

Currently UCW intends to proceed with the Offer only if it acquires more than 90% of the Shares in RedHill.

UCW's ability to fully integrate RedHill's business with its own business will be restricted if it acquires less than 100% of RedHill Shares. For this reason, the Offer has been made conditional on UCW acquiring a Relevant Interest in at least 90% of RedHill Shares (90% Minimum Acceptance Condition).

However, if circumstances change such that UCW drops the 90% Minimum Acceptance Condition and accordingly obtains "control" of RedHill, but less than 100% ownership of RedHill it intends to:

- a. undertake a review of the RedHill Board to determine optimal future performance;
- b. seek to increase its Relevant Interests in RedHill over time in accordance with the requirements of Chapter 6 of the Corporations Act; and
- c. otherwise seek to implement, to the extent possible and appropriate, the intentions described in Section 5.5 below.

UCW would only make a decision on these courses of action after receipt of legal, taxation and financial advice, and UCW's intentions must be read as being subject to the legal obligation of the RedHill board of Directors to have regard to the best interests of RedHill and all RedHill Shareholders. UCW's ability to implement its decisions would also be subject to its obligations and the obligations of RedHill to comply with the applicable provisions of the Corporations Act.

5.5 Intentions upon acquisition of 100% of RedHill

a. Operational review

As soon as practicable after achieving 100% ownership of RedHill, UCW intends to conduct a review of RedHill's operations and strategy in order to identify opportunities to enhance the performance of the Combined Group.

b. Specific operational intentions

Subject to the outcome of the operational review above, UCW currently intends to:

- i. Remove duplicated head-office costs;
- ii. Pursue co-location and sharing of premises; and
- iii. Commence integration of certain shared service and operational functions.



INTENTIONS OF UCW

c. Employees

UCW intends to maintain the employment of the majority of existing RedHill employees on completion of the Offer, subject to the results of its operational review of RedHill's business and any post acquisition plan developed by the UCW Board.

d. Utilisation of assets

Other than leases, UCW does not anticipate any material changes to utilisation of RedHill's assets following completion of the Offer.

5.6 Business, assets and employees

Subject to the operational review to be undertaken by UCW above, and except as set out in this Section 5.6, it is intended that UCW will:

- a. continue the business of RedHill;
- b. not make any major changes to the business of RedHill;
- c. not substantially redeploy the fixed assets of RedHill; and
- d. maintain the employment of the majority of RedHill's existing employees.

CONSIDERATION

6. CONSIDERATION

6.1 Issue of UCW Shares

The consideration for the acquisition of all RedHill Shares under the Offer is to be satisfied wholly by the issue of new fully paid UCW Shares.

6.2 RedHill Shares consideration

Based on the number of RedHill Shares on issue at the date of this Bidder's Statement, the maximum number of UCW Shares that would be required to settle acceptances under the Offer is:

Acceptance scenario: 90%

- a. 211,680,673 UCW Shares

Acceptance scenario: 100%

- b. 235,200,747 UCW Shares

(subject to rounding of entitlements)

6.3 UCW Shareholder approval

UCW has received ASX confirmation that it requires UCW Shareholder approval under ASX Listing Rule 7.1 to issue UCW Shares as Offer Consideration.

On, or shortly after the date of this Bidder's Statement, UCW will call a meeting of UCW Shareholders to ask them to consider a resolution under ASX Listing Rule 7.1 authorising UCW to issue the Offer Consideration. The proposed meeting of UCW Shareholders will be held before the Offer closes. UCW expects that the relevant resolution will be passed.

6.4 Provision of Offer Consideration

Subject to fulfilment or waiver of the Conditions of the Offer, UCW is of the opinion that it has a reasonable basis for holding the view, and holds the view, that UCW will be able to provide the Offer Consideration.

6.5 Expected impact on UCW's capital structure

The expected impact of the issuance of the Offer Consideration (assuming that UCW successfully completes the Offer) on UCW's capital structure is as follows:

	On issue (as at the date of this Bidder's Statement)	To be issued on completion of Takeover Bid	On issue on completion of Takeover Bid
UCW Shares	117,514,448	235,200,747	352,715,195 ¹⁷
Other Securities	6,000,000	Nil	6,000,000 ¹⁸

¹⁷ Assuming vesting of UCW performance rights under change of control provisions, the amount of UCW Shares on issue on completion of the Offer, would be 357,915,195.

¹⁸ Assuming vesting of UCW performance rights under change of control provisions, the amount of UCW Other Securities on issue on completion of the Offer, would be 800,000.



TAXATION CONSIDERATIONS FOR REDHILL SHAREHOLDERS

7. TAXATION CONSIDERATIONS FOR REDHILL SHAREHOLDERS

7.1 General

The following is a general description of the Australian income and capital gains tax (CGT) consequences that may arise for certain RedHill Shareholders on disposal of their RedHill Shares (through acceptance of the Offer) in return for UCW Shares. The Australian taxation consequences for RedHill Shareholders will depend on their individual circumstances. RedHill Shareholders should make their own enquiries and seek independent professional advice on their circumstances. The information below is relevant only to those RedHill Shareholders who hold their RedHill Shares on capital account for the purpose of investment and who do not (or would not) hold those securities on revenue account. These comments relate to RedHill Shares only and not to options or other rights held over RedHill Shares. Certain RedHill Shareholders (such as those engaged in a business of trading or investment, those who acquired their RedHill Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations or superannuation funds) will or may be subject to special or different tax consequences particular to their circumstances. RedHill Shareholders should obtain their own Australian tax advice specific to their own relevant circumstances.

RedHill Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence, as well as under Australian law, on the disposal of RedHill Shares under the Offer.

7.2 Capital Gains Tax on disposal of RedHill Shares

Acceptance of the Offer will involve the disposal by you of your RedHill Shares for Australian Capital Gains Tax (CGT) purposes. The disposal of RedHill Shares that are held on capital account will generally have CGT implications. Such disposal will constitute a CGT event for CGT purposes. The date of disposal for CGT purposes will be the date the contract to dispose of the RedHill Shares is entered into.

If a RedHill Shareholder does not dispose of their RedHill Shares under the Offer and their RedHill Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those RedHill Shareholders will also be treated as having disposed of their RedHill Shares for CGT purposes. The date of disposal for CGT purposes will be the date when UCW becomes the owner of the RedHill Shares.

Australian resident RedHill Shareholders may make a capital gain or capital loss on the disposal of their RedHill Shares under the Offer. Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a "CGT discount" may be available to reduce the net capital gain for certain RedHill Shareholders (see further below). Capital losses may not be deducted against other income for income tax purposes, but may be offset against capital gains realised in the same income year or be carried forward to be offset against future capital gains. In general, a capital gain arising on the disposal of a RedHill Share under the Offer will be calculated on the basis of the difference between the capital proceeds of the disposal (i.e. the Offer Consideration received from UCW) and the cost base of the RedHill Share.

A capital loss will be calculated based on the difference between the capital proceeds and the reduced cost base of the RedHill Share. The cost base of RedHill Shares is generally their cost of acquisition. Certain other incidental costs associated with acquisition and disposal, such as brokerage or stamp duty (that are not deductible to the RedHill Shareholder), may be added to the cost base. The cost base or reduced cost base may have been reduced by any "tax deferred" or other non-assessable distributions that you have received in respect of the RedHill Shares. A RedHill Shareholder who is an individual, complying superannuation entity or trustee of a trust, may claim a "CGT discount" if they acquired (or are deemed to have acquired) their RedHill Shares 12 months or more before the time of disposal.

TAXATION CONSIDERATIONS FOR REDHILL SHAREHOLDERS

This means that:

- a. in the case of an individual (and, generally speaking, a trustee of a trust), only one half of their net capital gain on those securities (after deducting available capital losses) would be taxable; and
- b. in the case of a complying superannuation entity, only two-thirds of their net capital gain on those securities (after deducting available capital losses) would be taxable.

However, the methodology for trustees is complex, and such RedHill Shareholders should obtain specific advice in this regard, including in relation to the tax consequences of distributions attributable to discounted capital gains. RedHill Shareholders should note that any available capital losses must be deducted from the gross capital gain before the “CGT discount” is applied.

The “CGT discount” is not available to companies, nor does it apply to RedHill Shares owned (or deemed to be owned) for less than the relevant 12-month period.

7.3 Acceptance of the Offer where Rollover Relief is Available and is Elected

Australian-resident RedHill Shareholders may be entitled to scrip-for-scrip CGT rollover relief in respect of the consideration referable to UCW Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to RedHill Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that UCW must make an offer to all shareholders in RedHill to acquire their voting shares on substantially the same terms and UCW must become the owner of at least 80% of the voting shares in RedHill because of the Offer. If the qualifying conditions are satisfied and a RedHill Shareholder elects for rollover relief to apply, the rollover relief is generally available. The effect of the rollover relief is that the RedHill Shareholder's total capital gain will be deferred until a disposal of the UCW Shares occurs.

The CGT cost base of the new UCW Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the RedHill Shares for which a rollover was obtained. Further, the RedHill Shareholders will be taken to acquire their UCW Shares at the time they originally acquired their RedHill Shares (for determining any entitlement to a discount on an otherwise assessable capital gain in relation to a subsequent dealing in their new UCW Shares).

Further, rollover relief is not available if RedHill Shareholders realise a capital loss on the disposal of their RedHill Shares. Scrip for scrip rollover relief does not apply automatically and must be elected. The election to utilise scrip-for-scrip rollover relief is evidenced by the manner in which the tax return for the relevant income year is prepared although it may be prudent to keep a written record of that election with your tax records. Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, RedHill Shareholders should seek independent taxation advice regarding their particular circumstances.

7.4 GST and Stamp Duty

No stamp duty or GST is payable by you on the sale of your RedHill Shares to UCW pursuant to the Offer.



TERMS OF THE OFFER

8. TERMS OF THE OFFER

8.1 The Offer

UCW is offering to acquire all of your RedHill Shares on the terms and subject to the conditions set out in this Bidder's Statement. You may only accept this Offer in respect of all of your RedHill Shares.

UCW will be entitled to all Rights in respect of RedHill Shares which it acquires under this Offer.

This Offer is dated [•] December 2020 and is being made to each person registered as a holder of RedHill Shares as at 9:00am (Sydney time) on the Record Date.

8.2 Consideration

The consideration offered to each holder of RedHill Shares is 4.5 UCW Shares for each RedHill Share held.

If your entitlement to UCW Shares is not a whole number, your entitlement to those shares will be rounded up to the whole number.

8.3 Offer Period

The Offer commences on [•], being the date the first Offer is made, and will remain open for acceptance until 5pm (Sydney time) on [•], unless it is withdrawn or extended in accordance with the Corporations Act.

8.4 Transfers during the Offer Period

Any person who, during the Offer Period, is able to give good title to a parcel of RedHill Shares in accordance with section 653B of the Corporations Act, may accept an Offer as if an offer on terms identical with the offer had been made to that person in relation to those RedHill Shares.

8.5 Who may accept

- a. The Offer is being made to each person registered as a holder of RedHill Shares as at 9:00am (Sydney time) on the Record Date.
- b. If at the time the Offer is made to you, or at any time during the Offer Period and before you accept the Offer, another person is, or is entitled to be, registered as the holder of, or is able to give good title to, some or all of your RedHill Shares (Transferred Shares) to which this offer relates, then in accordance with section 653B(1)(a) of the Corporations Act:
 - i. a corresponding Offer will be deemed to have been made at that time to that other person in respect of the Transferred Shares; and
 - ii. a corresponding Offer will be deemed to have been made to you in respect of your RedHill Shares other than the Transferred Shares.

8.6 How to accept the Offer

You may accept this Offer only in respect of all your RedHill Shares. To accept the Offer in respect of your RedHill Shares you must complete and sign the Acceptance Form in accordance with the instructions, and return it, together with all other documents required by the instructions, so that they are received before the end of the Offer Period.

The completed and signed Acceptance Form and accompanying documents should be sent to: Automic Group Limited GPO Box 5193 Sydney NSW 2001.

An envelope (pre-paid for RedHill Shareholders in Australia) is enclosed for your convenience.

TERMS OF THE OFFER

If some of your RedHill Shares are in different holdings, your acceptance of this Offer will require separate actions under this Section 8.6 in relation to the separate portions of your RedHill Shares.

8.7 Acceptance Form

The Acceptance Form that accompanies this Bidder's Statement form part of this Offer. You must observe the requirements on the Acceptance Form and the procedures set out in this Section 8 in order to accept the Offer in respect of your RedHill Shares. Your acceptance of the Offer will be effective only when (subject to UCW's discretion) the properly completed Acceptance Form, together with all other documents required by the instructions (if applicable), have been received at the address specified above.

8.8 UCW's discretion

UCW will determine, at its sole discretion, all questions as to the form of documents, including the validity, eligibility, including time of receipt, and acceptance of RedHill Shares. The determination of UCW in this respect will be final and binding on all parties.

Despite the requirements of the Offer, UCW may at its discretion treat any Acceptance Form received by UCW before the end of the Offer Period as valid or waive any requirement of the Offer, but, subject to section 620 of the Corporations Act, UCW is not obliged to make available to you the consideration to which you become entitled as a result of acceptance of the Offer until any irregularity has been resolved or waived and until you meet all of the requirements for acceptance of the Offer. Where you have satisfied the requirements of acceptance for only some of your RedHill Shares, UCW may in its sole discretion regard that Offer as having been accepted for those RedHill Shares but not the remainder.

8.9 Effect of acceptance

By signing the Acceptance Form and returning it to UCW you will have:

- a. irrevocably accepted the Offer in respect of all of your RedHill Shares, despite any difference between that number and the number of RedHill Shares shown in the Acceptance Form, on the terms and subject to the conditions of the Offer;
- b. agreed to transfer to UCW all of your RedHill Shares, subject to the Offer being declared free from the Conditions set out in Section 9, or those Conditions being fulfilled, in accordance with and on the terms set out in this Offer;
- c. irrevocably authorised UCW and its officers, employees or agents to complete the Acceptance Form by inserting such details as are omitted in respect of your RedHill Shares and to rectify any errors in or omissions from the Acceptance Form (including, without limitation, by altering the number of RedHill Shares stated to be held by you if it is otherwise than as set out in the Acceptance Form) as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer of all of your RedHill Shares to UCW;
- d. represented and warranted to UCW, as a condition of the Takeover Contract, that at the time of acceptance and at the time of the transfer of all of your RedHill Shares to UCW:
 - i. all of your RedHill Shares are fully paid up;
 - ii. UCW will acquire good title to, and full beneficial ownership of, all of your RedHill Shares free from all mortgages, charges, liens, encumbrances and other interests of third parties of any nature, whether legal or otherwise, and all restrictions on transfer of any nature; and
 - iii. you have full power and capacity to sell and transfer all of your RedHill Shares;
- e. irrevocably appointed UCW and each of its Directors from time to time severally as your lawful attorney, with effect on and from the date that this Offer or any Takeover Contract becomes unconditional, with power to do all things which you could lawfully do in relation to your RedHill Shares or in exercise of any right derived from the holding of your RedHill Shares, including (without limitation):



TERMS OF THE OFFER

- i. requisition, convene, attend and vote at any general meeting of RedHill;
- ii. demand a poll for any vote to be taken at any general meeting of RedHill;
- iii. propose or second any resolution to be considered at any meeting of RedHill;
- iv. execute all forms, notices, instruments and resolutions relating to your RedHill Shares and generally to exercise all powers and rights which you may have as a RedHill Shareholder and perform such action as may be appropriate in order to vest good title in your RedHill Shares in UCW; and
- v. appoint a proxy or proxies to attend and vote on your behalf in respect of your RedHill Shares at any general meeting of RedHill,

and have agreed that, in exercising those powers, the attorney is entitled to act in the interests of UCW as the beneficial owner and intended registered holder of your RedHill Shares;

- f. agreed not to attend or vote in person at any general meeting of RedHill or to exercise or purport to exercise any of the powers conferred on UCW or its Directors under Section 8.9(e) above;
- g. irrevocably authorised and directed RedHill to pay UCW or to account to UCW for all Rights in respect of your RedHill Shares subject, however, to any such Rights received by UCW being accounted for by UCW to you if this Offer is withdrawn or any Takeover Contract is rescinded or rendered void in accordance with Section 9.2; and
- h. except where Rights have been paid or accounted for under Section 8.9(g), irrevocably authorised UCW to deduct from the consideration otherwise due to you as a result of acceptance of this Offer the amount of all Rights referred to in Section 8.9(g) or any amount equal to the value of those Rights as reasonably assessed by UCW.

8.10 Payment of consideration

a. When you will receive the Offer Consideration

Subject to Section 8.10(b), if you accept the Offer and both the Conditions of the Offer and of the Takeover Contract are satisfied or waived, UCW will pay to you the consideration to which you are entitled (as set out in Section 8.2) on or before the earlier of:

- i. one month after the later of the date you accept the Offer and the date all of the Conditions to the Takeover Contract have been waived or fulfilled; and
- ii. 21 days after the end of the Offer Period.

b. Acceptance Form requires additional documents

Where the Acceptance Form requires an additional document to be provided with your acceptance (such as a share certificate):

- i. if that document is given with your acceptance, UCW will provide the consideration in accordance with Section 8.10(a) above;
- ii. if that document is given after you accept the Offer and before the end of the Offer Period, while the Offer is still subject to a defeating condition, UCW will pay you the consideration on or before the earlier of:
 - A. one month after the Takeover Contract becomes unconditional; or
 - B. 21 days after the end of the Offer Period;
- iii. if that document is given after you accept the Offer and before the end of the Offer Period, while the Offer is no longer subject to a defeating condition UCW will pay you the consideration on or before the earlier of:
 - C. one month after that document is given; or
 - D. 21 days after the end of the Offer Period; or

TERMS OF THE OFFER

- iv. if that document is given after the end of the Offer Period, UCW will provide the consideration to you within 21 days after that document is given. However, if at the time the document is given, the Takeover Contract is still subject to a defeating condition, UCW will provide the consideration to you within 21 days after the Takeover Contract becomes unconditional.

If UCW is not given the Transfer Documents within one month after the end of the Offer Period, UCW may rescind the Takeover Contract as if it had never been formed. In that case UCW will have no liability to you arising out of this Offer or any acceptance of this Offer.

If, at the time you accept the Offer, you are resident in or a resident of a place outside Australia, you will not be entitled to receive any consideration until all requisite authorities or clearances of the Reserve Bank of Australia or the Australian Tax Office have been obtained by UCW.

8.11 Foreign Shareholders

a. Foreign Shareholders

If you are a Foreign Shareholder then despite any other provisions of this Offer, you will only be entitled to receive cash consideration in Australian dollars in accordance with this Section 8.11(a).

If you are a Foreign Shareholder and you accept the Offer, UCW will, unless Section 8.11(c) applies:

- i. arrange for the issue to a nominee approved by ASIC of the number of UCW Shares to be issued in accordance with the Offer to which you and all other Foreign Shareholders would have been entitled but for this Section 8.11(a);
- ii. cause those UCW Shares so issued to be offered for sale within 7 Business Days after the end of the Offer Period in such manner, at such price and on such other terms and conditions as are determined by the nominee; and
- iii. pay to you the amount ascertained in accordance with the formula:

$$\text{NPS} \quad \times \quad \frac{\text{NIS}}{\text{TIS}}$$

where:

NPS is the net proceeds of sale of UCW Shares under Section 8.11(a), being the amount remaining after deducting expenses from the proceeds of sale;

NIS is the number of UCW Shares, which UCW would otherwise be required to issue to you; and

TIS is the total number of UCW Shares issued to the nominee under this Section 8.11(a).

Payment will be made in Australian dollars, or if this is unlawful, the currency of the country of residence of the Foreign Shareholder (as shown in RedHill's register of members) and subject to Section 8.11(b).

Payment will be made by cheque posted to you at your risk by airmail at the address provided on your Acceptance Form. Under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds.

b. Cash Payments – Non-Residents

The placing of any sum to the credit of a non-resident (and the sending of currency out of Australia) is regulated by Australian law and the rules and policies of the Reserve Bank of Australia. These regulations only affect the payment of cash consideration under a takeover offer to residents of a small number of countries. If, however these regulations apply to you, any consideration payable to you will be subject to all requisite authorities and clearances. UCW agrees to make prompt application for any required authority or clearance.



TERMS OF THE OFFER

c. Exception

Section 8.11(a) does not apply to you if your address, as shown in RedHill's register of members, is a place outside Australia and its external territories provided that (in the reasonable discretion of UCW) it is lawful, practical and efficient (having regard to any registration steps that need to be taken in the relevant jurisdiction and the cost of those steps) to offer to you, and for you to receive, the UCW Shares.

8.12 Conditions of the Offer

See Section 9 for the full details of the Conditions of the Offer.

8.13 Variation of the Offer

UCW may at any time, and from time to time, vary the Offer in accordance with the Corporations Act.

8.14 Withdrawal of the Offer

UCW may withdraw the Offer at any time with the written consent of ASIC. ASIC may give consent subject to specified conditions.

If UCW withdraws the Offer, all Takeover Contracts will automatically be void.

8.15 Freeing the Offer of Conditions

UCW may free this Offer, and any Takeover Contract, from all or any of the Conditions in Section 9, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to RedHill declaring the Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice will be given not less than seven days before the end of the Offer Period.

If, at the end of the Offer Period, the Conditions in Section 9 have not been fulfilled and UCW has not declared the Offer (or it has not become) free from those Conditions, all Takeover Contracts will be automatically void.

8.16 Trustees and Nominees

Beneficial owners whose RedHill Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting this Offer.

If you are a trustee or nominee for several persons in respect of separate parcels of RedHill Shares, section 653B of the Corporations Act deems an Offer to have been made to you in respect of each separate parcel.

8.17 Parcels

If at any time during the Offer Period and before you accept this Offer, your RedHill Shares to which this Offer relates consist of two or more separate parcels for the purposes of section 653B of the Corporations Act, then in accordance with section 653B of the Corporations Act, this Offer will be deemed at that time to consist of separate corresponding offers made to you in relation to the respective separate parcels of RedHill Shares.

8.18 Notices

- a. Any notice or other communication to be given by UCW to you under this Offer will be deemed to be duly given if it is in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced in any form) on behalf of UCW by any of its Directors or its company secretary and is delivered to or sent by post in a pre-paid envelope to your address as recorded in the register of members of RedHill.
- b. Any notice or other communication to be given by you to UCW in connection with this Offer will be deemed to be duly given if it is in writing and is sent by post to UCW's registered office.

CONDITIONS OF THE OFFER

9. CONDITIONS OF THE OFFER

9.1 Conditions

Subject to Section 9.2, the Offer and any Takeover Contract are each conditional on the following (to the extent the relevant matter is not within the sole control of, or as a direct result of action by, UCW and/or its associates):

- a. **(90% minimum acceptance condition)**: that during, or at the end of the Offer Period, UCW acquires a Relevant Interest in at least 90% of the RedHill Shares on issue at that time;
- b. **(Shareholder approval condition)**: that UCW Shareholders pass, at a general meeting of UCW Shareholders to be held before the Offer closes, a resolution under ASX Listing Rule 7.1 authorising UCW to issue the Offer Consideration in accordance with the terms of the Offer set out in this Bidder's Statement¹⁹.
- c. **(significant transactions)**: that during the period from the date of this Bidder's Statement to the end of the Offer Period, other than in the ordinary course of business, neither RedHill nor a company in the RedHill Group:
 - i. acquires or agrees to acquire a substantial business, asset or undertaking or is subjected to a substantial new liability;
 - ii. disposes of or agrees to dispose of a substantial business, asset or undertaking;
 - iii. enters into any substantial contract in relation to the operation or maintenance of its assets;
 - iv. engages or agrees to engage any new personnel or agrees to materially increase the existing remuneration packages of personnel; or
 - v. terminates or makes any material change to the terms of employment of any employee, consultant or agent,

in each case, without the prior written consent of UCW;

- d. **(superior offer)** that between the date of this Bidder's Statement and the end of the Offer Period, no bidder's statement detailing a superior offer by a third party for RedHill Shares is despatched to any holders of RedHill Shares, and no announcement of a superior bid is made by a third party;
- e. **(material adverse regulatory action - corporate)**: that no Government Agency takes any action that restrains or prohibits the Offer or the acquisition of shares by UCW or commences or threatens to commence proceedings to do so or seeks to require the divestment by UCW of shares or assets of RedHill or any of its subsidiaries;
- f. **(material adverse regulatory action - education)**: that no Government Agency (including ASQA and TEQSA) takes any action that varies, restrains or prohibits RedHill's business activities in any material manner;
- g. **(prescribed occurrences)** that none of the events set out in section 652C(1) or (2) of the Corporations Act occurs in relation to RedHill during the period from the date of this Bidder's Statement to the end of the Offer Period.

Each Condition constitutes and will be construed as a separate, several and distinct condition.

9.2 Effect of Non-Fulfilment of Conditions

- a. The Conditions are conditions subsequent to the Takeover Contract. The non-fulfilment of such conditions subsequent does not prevent a Takeover Contract to sell your RedHill Shares to UCW being formed as a result of you accepting the Offer, but entitles UCW, by written notice to you, to rescind the Takeover Contract resulting from your acceptance of the Offer.
- b. If, at the end of the Offer Period:

¹⁹ Please see section 6.3 of the Bidder's Statement for further information



CONDITIONS OF THE OFFER

- i. any of the Conditions is not fulfilled; and
- ii. UCW has not declared the Offer and the Takeover Contracts free from Conditions at least seven days before the end of the Offer Period,

the Takeover Contracts will be automatically void.

- c. Subject to the Corporations Act, until the end of the Offer Period, UCW alone is entitled to the benefit of the Conditions or to rely on any non-fulfilment of any of those Conditions.

9.3 Waiver of defeating conditions

Subject to section 650F of the Corporations Act, UCW may declare the Offer free from all or any of the Conditions generally or in relation to any specific occurrence by giving notice in writing to RedHill not less than seven days before the end of the Offer Period. In the case of the Conditions contained in Section 9.1(e), UCW may declare the Offers free of those Conditions at any time within 3 Business Days after the end of the Offer Period.

9.4 Status of defeating conditions

UCW will give notice to RedHill on the status of the Conditions not later than seven days before the end of the Offer Period, being [•] 2021 as required by section 630(1) of the Corporations Act. If UCW extends the Offer Period by a particular period, the date for giving the notice will be postponed for an equivalent period in accordance with section 630(2) of the Corporations Act.

INFORMATION ON REDHILL

10. INFORMATION ON REDHILL

10.1 Disclaimer

The following description of RedHill and financial information concerning RedHill contained in this Section has been prepared by UCW using publicly available information. Information in this document concerning RedHill's business has not been independently verified and UCW has not conducted due diligence on RedHill's business. To the extent permitted by law, UCW does not make any representation or warranty, express or implied, as to the currency, accuracy, or completeness of such information.

The information on RedHill in this Bidder's Statement should not be considered comprehensive. You should refer to RedHill's ASX announcements and RedHill's Target Statement, which RedHill must provide to RedHill Shareholders in response to this Bidder's Statement.

RedHill is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require RedHill to:

- a. prepare and lodge with ASIC and ASX both annual and half-year financial statements, accompanied by a Directors' statement and report and an audit or review report; and
- b. immediately notify ASX of any information concerning RedHill of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in RedHill, subject to certain limited exceptions, related mainly to confidential information.

Copies of documents lodged with ASIC in relation to RedHill may be obtained from or inspected at an office of ASIC. Copies of documents lodged with ASX in relation to RedHill may be obtained from the ASX's website (www.asx.com.au).

A list of announcements made by RedHill on ASX since the release of its FY20 Annual Report and the date of this Bidder's Statement is set out below:

Date	Announcement title
24/09/2020	2020 Corporate Governance Statement and Appendix 4G
19/10/2020	Notice of 2020 Annual General Meeting
19/10/2020	Chairman to Retire
19/11/2020	Withdrawal of Resolution 5 at 2020 Annual General Meeting
19/11/2020	2020 AGM Chairman and CEO Address
30/11/2020	Final Director's Interest Notice - B Beerworth
01/12/2020	Appointment of Interim Chairman



INFORMATION ON REDHILL

10.2 Capital structure of RedHill

- a. According to RedHill's statutory register and documents lodged by RedHill with ASIC, the total number of issued securities in RedHill at the date of this Bidder's Statement is 50,852,123 ordinary shares on issue.
- b. The following Options have been granted to date by RedHill (RedHill Options):

Grant date	Number under option	Vesting and exercisable date	Expiry date	Exercise price
12/12/2016	75,000	12/12/2017	12/12/2021	\$1.25
12/12/2016	75,000	12/12/2018	12/12/2021	\$1.75
12/12/2016	75,000	13/12/2019	12/12/2021	\$2.25
08/11/2017	110,000	9/11/2019	9/11/2021	\$1.40
08/11/2017	110,000	9/11/2020	9/11/2022	\$1.60
08/11/2017	110,000	9/11/2021	9/11/2023	\$1.80

- c. The following Performance Rights have been granted to date by RedHill:

Grant date	Number	Testing date	Performance period	Exercise price
26/03/2019	169,629	15/10/2021	36 months ending 30/09/2021	\$0.00
26/03/2019	169,629	15/10/2021	36 months ending 30/09/2021	\$0.00

At RedHill's 2020 AGM, RedHill shareholders approved the grant of rights to Glenn Elith:

- Tranche 1: 402,257 Performance Share Appreciation Rights (exercise price: \$0.5685)
- Tranche 2: 220,008 Performance Rights (exercise price: \$0.00)
- Tranche 3: 188,578 Performance Rights (exercise price: \$0.00)

INFORMATION ON REDHILL

10.3 Details of relevant interests in RedHill Shares

- a. The number of RedHill Shares in which UCW had a Relevant Interest immediately before the date of this Bidder's Statement and immediately before the first Offer is sent, is 19.9% of RedHill Shares.
- b. The number of RedHill Shares that the Directors of UCW had a Relevant Interest in immediately before the date of this Bidder's Statement and immediately before the first Offer is sent, is zero.

10.4 Details of voting power in RedHill

As at the date of this Bidder's Statement, UCW does not have any voting power in RedHill.

10.5 Consideration for RedHill Shares in previous four months

During the four months before the date of this Bidder's Statement, neither UCW nor an associate of UCW provided, or agreed to provide, consideration for RedHill Shares under a purchase or agreement.

10.6 Benefits relating to RedHill Shares

During the 4 months before the date of this Bidder's Statement neither UCW nor any associate of UCW gave, or offered or agreed to give, a benefit to another person that was likely to induce that other person, or an associate of that person, to:

- a. Accept an Offer; or
- b. Dispose of RedHill Shares,

and which is not offered to all holders of RedHill Shares.



ADDITIONAL INFORMATION

11. ADDITIONAL INFORMATION

To the best of UCW's knowledge, there is no other information that is material to the making of the decision by a holder of RedHill Shares whether to accept an Offer under the bid, other than the information set out in this Bidder's Statement.

11.1 Common Director

As at the date of this Bidder's Statement, none of UCW's Directors are also Directors of RedHill (and vice versa).

11.2 Director Common shareholdings

Prior to the announcement of the Offer, no UCW Director holds any RedHill Shares nor, to UCW's knowledge, does any RedHill Director hold UCW Shares.

11.3 Other Shareholders' Common Shareholdings

	Shares held in UCW	% holding in UCW	Shares held in RedHill	% holding in RedHill
Viburnum Funds	12,737,507	10.84%	6,504,658	12.79%
Microequities Asset Management	7,262,199	6.18%	1,852,018	3.64%

11.4 Date for determining holders of RedHill Shares

The Record Date is the date for determining who will receive this Bidder's Statement and RedHill's Target Statement.

11.5 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If you have any doubt in this regard, please contact your legal, investment or other professional adviser.

11.6 Disclosure of information

As UCW is offering UCW Shares as consideration for the acquisition of RedHill Shares, the Corporations Act requires this Bidder's Statement to include all information that would be required for a prospectus for an offer of UCW Shares under sections 710 to 713 of the Corporations Act. UCW does not need to issue a separate prospectus for the Offer of the UCW Shares as the offer occurs under a takeover bid.

UCW is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, UCW is required to continuously disclose to the market any information it has, which a reasonable person would expect to have a material effect on the price or the value of UCW's Shares

UCW Shares have been quoted on ASX during the 12 months before the date of this Bidder's Statement. For this reason, UCW is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, since UCW's shares are continuously quoted securities, the prospectus would only be required to contain limited information on the effect of the Offer on UCW and the rights and liabilities attaching to the UCW Shares. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of UCW unless that information has been excluded from a

ADDITIONAL INFORMATION

continuous disclosure notice in accordance with the ASX Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the UCW Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. UCW, as a disclosing entity under the Corporations Act, states that:

- a. it is subject to regular reporting and disclosure obligations;
- b. copies of documents lodged with ASIC by UCW (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- c. it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - i. the financial statements of UCW for the 12 months ended 30 June 2020 (being the annual report most recently lodged by UCW with ASIC and ASX);
 - ii. the half-year financial report lodged for the six months ended 31 December 2019 lodged with ASIC and ASX by UCW; and
 - iii. all continuous disclosure notices given by UCW after the lodgement of the annual financial report referred to in paragraph (c)(i) above with ASIC and ASX and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please contact Lyndon Catzel, Chief Financial Officer and Company Secretary of UCW on +61 414 907 384 or call 1300-EDU-ASX (toll-free within Australia).

Copies of all documents lodged with ASIC in relation to UCW can be inspected at the registered office of UCW during normal office hours.

A list of announcements made by UCW on ASX since the release of its FY20 Annual Report and the date of this Bidder's Statement is set out below:

Date	Announcement title
25/08/2020	FY2020 - Results Presentation
21/10/2020	Notice of Annual General Meeting/Proxy Form
02/11/202	Market Update
20/11/2020	CEO Address to 2020 Annual General Meeting
20/11/2020	Results of 2020 Annual General Meeting
26/11/2020	Appendix 3G - Performance Rights 2020
26/11/2020	Change of Director's Interest Notice

Other than the information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a RedHill Shareholder or a professional adviser to a RedHill Shareholder would reasonably require for the purposes of making an informed assessment of:

- a. the assets and liabilities, financial position and performance, profits and prospects of UCW; or
- b. the rights and liabilities attaching to UCW Shares.



ADDITIONAL INFORMATION

None of the information referred to in this Section 11.6 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

The Directors of UCW believe that all of the information known to them, that you and your advisers would reasonably require to decide whether to accept the Offer, has been disclosed to you.

11.7 ASIC modifications or exemptions

UCW reserves the right, at any time, to:

- a. make an application to ASIC for it to exercise any power or discretion conferred on it under the Corporations Act, including the power to give relief, including to allow UCW to withdraw the Offer; or
- b. extend the Offer Period for the Offer or otherwise vary the Offer in accordance with Chapter 6 of the Corporations Act.

11.8 Other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision in relation to the Offer, being information that is within the knowledge of any UCW Director or Director of any Related Bodies Corporate of UCW, at the time of lodging this Bidder's Statement with ASIC, which has not previously been disclosed to RedHill Shareholders.

ADDITIONAL INFORMATION

11.9 Consents and Approval

This Bidder's Statement was approved by a resolution passed by the Directors of UCW on 14 December 2020.

Each of the Directors of UCW, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any statement in, or omissions from, this Bidder's Statement.

Signed for and on behalf of UCW Limited.



Gary Burg

Chair

11.10 UCW Constitution

When RedHill Shareholders receive their new UCW Shares under the Offer, they will become bound by the Constitution of UCW. RedHill Shareholders should refer to Section 4.7 which describes the rights and liabilities associated with new UCW Shares.

11.11 Governing Law

This Bidder's Statement is governed by the laws of the State of New South Wales.



RISK FACTORS

12. RISK FACTORS

12.1 Risk factors associated with owning UCW Shares

If the Offer becomes unconditional, RedHill Shareholders who accept the Offer (other than Foreign Shareholders) will become shareholders in UCW. In that event, RedHill Shareholders will:

- a. continue to be indirectly exposed to the risks associated with having an interest in RedHill's assets and general economic, share market and industry risks;
- b. potentially become exposed to additional risks, through their holding of UCW Shares which are specific to UCW and its current operations; and
- c. potentially become exposed to additional risks relating to the Offer.

The financial performance and operation of UCW's business and the price of UCW Shares will be influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of UCW and the UCW Board.

GLOSSARY

13. GLOSSARY

Term	Definition
ASQA	the Australian Skills Quality Authority, the national regulator for Australia's vocational education and training (VET) sector
Acceptance Form	the form of acceptance which accompanies this Bidder's Statement and which forms part of this Offer
Approval	means a licence, authority, authorisation, consent, permission, approval, clearance, grant, affirmation, confirmation, order, exemption, waiver or ruling
ASIC	Australian Securities and Investments Commission
Bidder's Statement	this document
Broker	a person who is a share broker and a Participant in CHESSE
Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia
Combined Group	UCW after successful completion of the Offer and the acquisition by UCW of all of the shares in RedHill
Conditions	the defeating conditions set out in Section 9 and Condition means any one of them
Corporations Act	the Corporations Act 2001 (Cth)
Foreign Shareholder	a RedHill Shareholder that is resident outside Australia
Government Agency	any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State
Minimum Acceptance Condition	the condition described in 9.1(a)
Offer	each offer made by UCW to acquire RedHill Shares on the terms set out in this document
Offer Consideration	the UCW Shares to be issued to RedHill Shareholders who accept the Offer
Offer Period	the period during which the Offers remain open for acceptance as specified in Section 3.4 of this Bidder's Statement
RedHill	RedHill Education Limited ACN 119 952 493
RedHill Board	the board of Directors of RedHill
RedHill Group	the group of companies comprising RedHill and its controlled entities
RedHill Share	a fully paid ordinary share in the capital of RedHill and all Rights attaching to it
RedHill Shareholder	a holder of RedHill Shares
Record Date	[•]
Related Body	has the meaning given to that term in section 50 of the Corporations Act
Relevant Interest	has the meaning given by section 608 of the Corporations Act
Rights	all accretions, rights and benefits of any kind attaching to or arising from the RedHill Shares directly or indirectly on or at any time after the date of this Bidder's Statement (including all dividends and other distributions, and all rights to receive dividends and other distributions or to receive or subscribe for shares, notes, bonds, options or other securities) declared, paid or issued by RedHill or any of its subsidiaries



GLOSSARY

Term	Definition
TEQSA	the Tertiary Education Quality and Standards Agency, Australia's independent national quality assurance and regulatory agency for higher education
Takeover Bid	the takeover bid constituted by the Offer
Takeover Contract	a contract that results from the acceptance of an Offer under this Takeover Bid
Transfer Documents	all documents that are sufficient to enable UCW to become the registered holder of your RedHill Shares
UCW	UCW Limited ACN 108 962 152
UCW Board	the board of Directors of UCW
UCW Shareholder	a holder of UCW Shares
UCW Shares	fully paid ordinary shares in the capital of UCW

CORPORATE DIRECTORY

COMPANY

UCW Limited
ACN 108 962 152

REGISTERED OFFICE

Level 1, 333 Kent Street
Sydney NSW 2000

SHARE REGISTRY

Automic Group Limited
Level 5, 126 Philip Street
Sydney NSW 2000

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UCW
LIMITED